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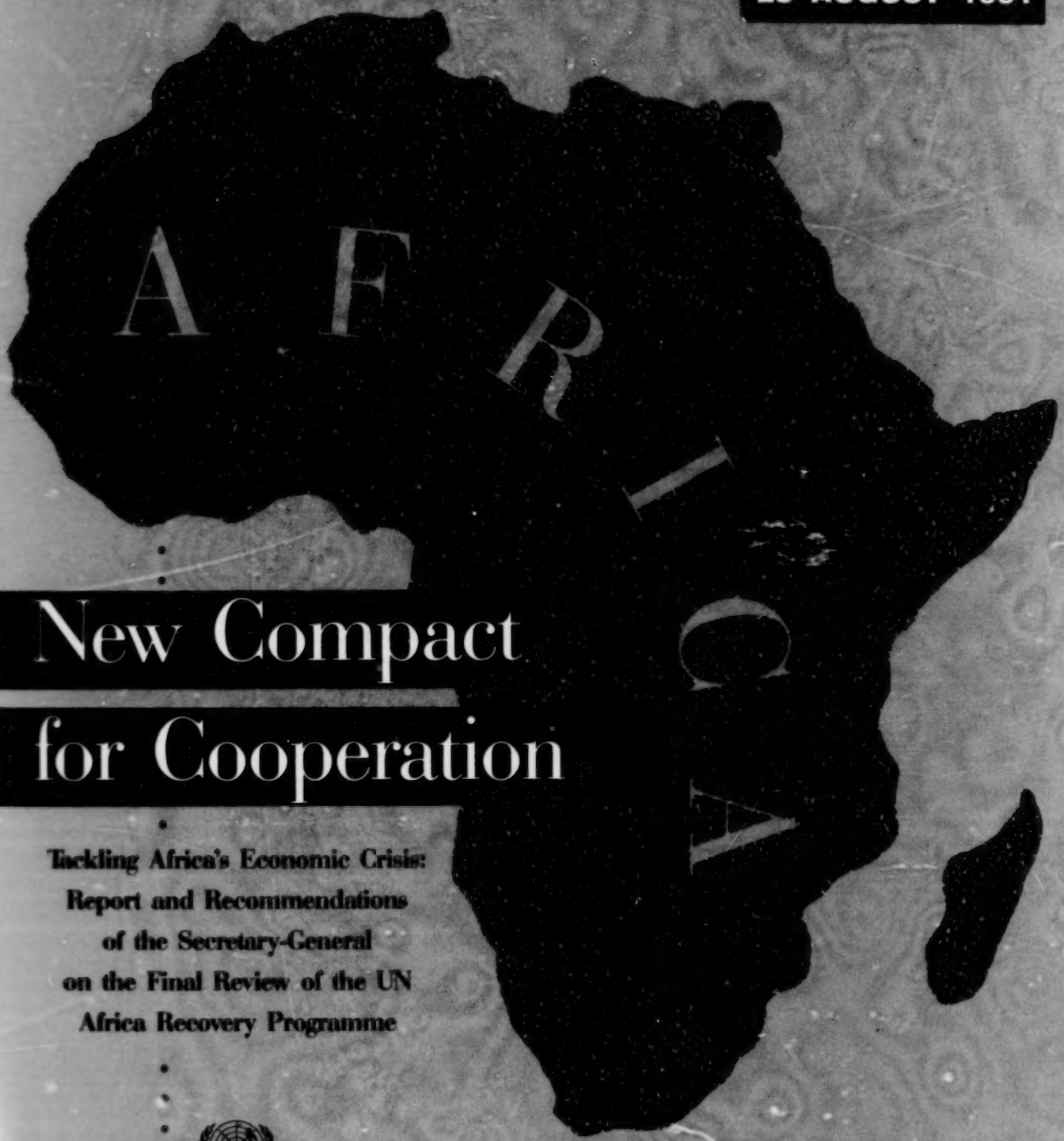

New Compact for Cooperation

Tackling Africa's Economic Crisis: Report and Recommendations of the Secretary-General on the Final Review of the UN Africa Recovery Programme

UNITED NATIONS

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P R E S S K I T

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14 August 1991

Dear Writer/Editor,

From 3-13 September 1991, member states of the United Nations will meet in New York to debate the policies and measures needed for what UN Secretary-General Javier Perez de Cuellar, in a major new report, describes as "the greatest developmental challenge of our time": overcoming an economic crisis of unprecedented severity and duration in Africa. Despite extensive, and often painful, efforts and reforms in a majority of African countries, the crisis persists. A programme of action for the continent's development, outlined at a unique Special Session of the UN's General Assembly in 1986, has not led to the sustained recovery and development it was designed to promote.

The Secretary-General's report analyzes why this economic recovery did not occur on the continent, examining the actions of both African governments themselves and of the international community, which in 1986 pledged to help in regard to trade, resource flows and debt. The report proposes the measures urgently needed to reverse the pattern of the last five to ten years and to regenerate recovery in what is the poorest continent in the world. The Secretary-General warns that unless Africa's people begin to see some tangible results from the sacrifices they have made, the reform and democratization process under way on the continent will be jeopardized.

Mr. Perez de Cuellar's report will form the basis of much of the discussion in the two-week session of the General Assembly's Ad

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Hoc Committee of the Whole. The session will debate the causes of the African crisis and the reasons for the unsatisfactory outcome of the UN economic recovery programme, and will attempt to forge an agreement between Africa and the international community on what needs to be done next if the challenge is to be met.

The Secretary-General reminds us that, in the midst of the euphoria surrounding the end of the cold war, the democratization under way in Eastern Europe and other regions, and the increasing convergence of views on the kinds of economic policies required to achieve growth, a significant portion of the world's population, living in the poorest continent, is sinking deeper into poverty. As he says in the report, "the international community cannot fail [to meet this challenge]. At stake is its credibility and its ability to deal effectively with questions affecting its collective well-being and security."

..... The enclosed press materials try to sum up the most important aspects of the Secretary-General's report, and also provide background information on a number of related issues. All the material may be freely reproduced, and the graph sheet on the opposite side has been designed for ready reproduction.

Please do not hesitate to contact me, or my colleague Roy Laishley, for further information, or for arranging interviews with senior UN officials. We would greatly appreciate receiving clippings of any articles you might carry.

Sincerely,

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ECONOMIC CRISIS IN AFRICA

Final Review and Appraisal of the Implementation of The United Nations Programme of Action for African Economic Recovery and Development 1986-1990 (UNPAAERD)

REPORT OF THE U.N. SECRETARY-GENERAL

Prepared for the session of the Ad-Hoc Committee of the Whole of the UN General Assembly, 3-13 September 1991

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FOREWORD BY THE SECRETARY-GENERAL

Five years ago, the General Assembly met in a Special Session to consider ways of supporting African efforts to alleviate the severe crisis that gripped the continent, and to lay the foundation for its sustained economic and social development. At the Special Session, African countries presented the African Priority Programme for Economic Recovery (APPER), which had earlier been adopted by Heads of State and Government at the Organization of African Unity's summit. The African countries invited Member States and United Nations agencies to consider APPER as a basis for enhanced support for the continent. The Special Session concluded on June 1, 1986, with the General Assembly unanimously adopting the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 (UN-PAAERD). The Programme represented a unique agreement between African states and the international community, with both sides committing themselves to serious and far-reaching efforts to accelerate Africa's development process. It was the first such programme ever adopted by the United Nations, and it created major expectations for better prospects for Africa.

Since 1986, the General Assembly has every year addressed aspects of the implementation of this "compact", and expressed continuing concern over the pace of progress. By the end of 1990, it had become evident that the African economic crisis had indeed deepened and that much more vigorous efforts and greater commitment were needed, particularly on the part of the international community, to place the continent firmly on the road to economic recovery and development, as well as political stability.

Economic and social conditions actually worsened over the five years of the UN-PAAERD period. This occurred despite the many far-reaching actions and reforms undertaken by African countries, including notable progress towards democratization. Clearly, additional and more energetic efforts are necessary to revitalize growth and development in Africa. This is especially urgent because of the major efforts made by African countries to improve economic management and preserve social programmes during the UN-PAAERD period. In some countries these efforts have succeeded in halting, and sometimes reversing, the decline in economic and social conditions, and in many have created the means by which increased resources can be used more effectively. But these successes have been achieved at a high social and political cost, and African countries will not be able to sustain them unless additional resources are made available to ensure that significant gains soon become apparent to the African people. The General Assembly, therefore, now has the responsibility of charting new directions for international support for the continued efforts of African countries during the nineties.

In a continent which emerged from colonial dependence in such a fragmented state, nothing will guarantee true independence and full mobilization of its immense potential more than a concerted effort at economic integration and co-operation. The global phenomenon of growing regionalism has only sharpened Africa's own awareness and aspirations. I was pleased, in this context, to witness on June 3, 1991, in Abuja, Nigeria, the signing, by 49 Governments, of the Treaty establishing an African Economic Community.

There are many other issues and concerns which need to be addressed in Africa, and the continent's efforts to do so can clearly only be effective with the fullest support from the international community. Indeed, overcoming the persistent, decade-long crisis in Africa represents the greatest developmental challenge of our time.

The organizations of the United Nations system are fully aware of this challenge, and Africa for them is a major priority, as it will be in the next United Nations Medium-Term Plan (1992-1997). In order to ensure coherent and coordinated action by all the U.N. entities, I shall present, next year, a system-wide plan of action in support of Africa's development efforts.

The situation of Africa raises important questions about solidarity among member States of the United Nations, and about their will and capacity to act in concert to address the wide spectrum of inextricably linked development issues, both within and beyond the continent. Since UN-PAAERD was adopted in 1986, important changes have taken place in Africa which I am confident will contribute to strengthening international support and commitment for the continent. The General Assembly must now decide how the compact is to be renewed and made operational, and what should be the institutional mechanisms for monitoring its implementation. The international community cannot afford to fail. At stake is its credibility and its ability to deal effectively with questions affecting its collective well-being and security. The General Assembly must therefore agree on a significant programme of action containing measures and commitments that will ensure the sustainable development of a continent faced with an unrelenting economic crisis of tragic proportions.

I. INTRODUCTION

1. The grave socio-economic situation in Africa prompted the African Heads of State and Governments, at their 21st Session held in July 1985, to call for the convening of a special session of the General Assembly to deal exclusively with the Continent's critical socio-economic situation. Subsequently, the General Assembly decided unanimously, in resolution 40/40, to hold the first Special Session ever devoted exclusively to the problems of a single region. Focus was on the medium to long-term development and rehabilitation problems facing African countries. After considerable study, a comprehensive method for promoting and adopting action-oriented measures was clearly called for. The United Nations Programme of Action for African Economic Recovery and Development 1986-1990, (UN-PAAERD) was adopted by consensus on 1 June 1986, by the 13th Special Session of the United Nations General Assembly.

2. The United Nations Programme of Action, a unique compact between Africa and the international community, contained mutually reinforcing agreements: Africa committed itself to "provide the necessary framework to launch long-term programmes for self-sustaining socio-economic development and growth" and the international community undertook to "assist Africa to achieve this objective."

3. The African countries reaffirmed that it was primarily their responsibility to develop their own continent. They dedicated themselves to the necessary economic reforms, as outlined in Africa's Priority Programme for Economic Recovery 1986-1990, as the basis for broad-based sustained economic development.

4. It was recognized that the economic recovery and development efforts of African countries must be supplemented by complementary action on the part of the international community and that solutions to exogenous problems over which Africa has no control, would have to be found. The International community committed itself to provide sufficient resources to support and supplement the African development effort. They further noted that Africa's efforts would be greatly facilitated if flows of external resources were consistent and assured. External factors that aggravate the African situation, need to be examined. This would especially include terms of trade and commodity issues, both of which can be linked to either easing or exacerbating Africa's huge debt burden.

5. The Programme of Action recognized the importance of organizations within the U.N. system in the PA's implementation and called on the Secretary-General to co-ordinate the support of those groups.

6. A mid-term review and appraisal of UN-PAAERD was conducted by an Ad Hoc Committee of the General Assembly, and by the General Assembly itself, in September/October 1988. This review provided the opportunity for a comprehensive assessment of the responses to the Programme, and, for recommendations to accelerate its implementation. Conclusions drawn are contained in the annex to resolution A/43/664. The General Assembly emphasized, inter alia, in this resolution that "The African economic crisis is one that concerns the international community as a whole." It further asserted that, "the Programme of Action provides an important framework for co-operation between Africa and the international community, and all parties wish to reaffirm their commitment to the Programme. The continuing gravity of the economic situation in Africa requires that all partners take urgent and decisive action to accelerate and ensure the effective implementation of the Programme during its remaining period."

7. The General Assembly further decided, in resolution A/43/664, to conduct a final review and appraisal of the implementation of UN-PAAERD at its forty-sixth session. Subsequently, it requested the Secretary-General in resolution 45/178, to submit to the Ad Hoc Committee of the Whole his report on the implementation of UN-PAAERD. The present report has been prepared in this context. It provides an up-to-date assessment, including views on: the African economy; the impact of internal and external constraints on that economy; economic reform measures undertaken, review and appraisal of the actions taken by African countries, the international community and the UN system to implement the Programme; and recommendations on measures needed to implement growth and development goals in the post-UN-PAAERD era.

8. The report includes: surveys of its member states conducted by the Economic Commission for Africa (ECA) on the implementation of the Programme of Action; data generated through a project of the United Nations Development Programme (UNDP); reports from the World Bank and ECA that monitored development programmes and aid flows to sub-Saharan Africa; and information made available by other United Nations agencies and African regional and sub-regional organizations. It also takes into account the decisions of the General Assembly following its mid-term review and builds on the two previous reports of the Secretary-General to the General Assembly on the implementation of UN-PAAERD.

9. In the light of UN-PAAERD experience, the report recommends, inter alia, measures that need to be implemented beyond 1991 to accelerate and sustain growth and development in Africa. Annexed to this report is a study on the "Implementation of Diversification in the Commodity sector in Africa at National, Sub-Regional and Regional levels with the Support of the International community."

II. EXECUTIVE SUMMARY

INTRODUCTION

10. UNPAAERD was a unique compact between Africa and the international community, based on the collective will of the continent to deal decisively with its problems as enunciated in Africa's Priority Programme for Economic Recovery, 1986-1990 (APPER). It embodied, on the one hand, the aspiration and commitment of the African countries to overcome their socio-economic crisis and lay the foundation for recovery and development, and, on the other hand, the commitment of the international community to support that effort.

11. In UNPAAERD, the African countries committed themselves to giving priority attention to necessary economic reforms, as outlined in APPER, as a basis for broad-based, sustained economic development. This would include features such as; the rehabilitation and development of agriculture; the development of other sectors supportive of agriculture; measures to combat drought and desertification; and the efficient development and utilization of human resources.

12. For its part, the international community recognized the need for intensified cooperation and substantially increased support for Africa; realized that lasting solutions were needed to overcome the serious exogenous constraints over which Africa has no control; committed itself to making every effort to provide sufficient resources and to support Africa's efforts to succeed, recognized that it needed predictable, assured, and high quality external assistance; and recognized the need to address the external factors that aggravated the African situation. This would especially include the deteriorating terms of trade, the need to deal urgently with commodity issues, and the alleviating of Africa's debt burden.

ASSESSMENT

13. This report focuses on overall aggregate levels and trends for Africa, although the record of economic performance, reform measures, and flows, etc., between countries is quite naturally varied. Differences in the rates of growth, terms of trade, etc., point to the complexity of the relationship between economic performance, policy reform and the external environment. Furthermore, when considering economic performance in Africa, it is important to keep in mind the significant impact that single large countries may have on aggregate figures.

14. Nevertheless, five years after the adoption of the Programme, the current socio-economic state of the majority of African countries continues to give cause for concern. The goals set in UN-PAAERD are far from being realized.

15. The great majority of African countries formulated and carried out a broad range of initiatives and reforms, as envisaged in UNPAAERD in 1986. The framework for reforms in most countries in the 1986-90 period was provided by structural adjustment programmes (SAPs), since vitally needed external financing became increasingly difficult to obtain without the adoption of these programmes. When they were first designed these SAPs, as well as their supportive funding arrangements, focused on short-term objectives of stabilization rather than on the broader, long-term development objectives of UNPAAERD. It is now widely acknowledged that these programmes must give more emphasis to the longer-term structural transformation needed in Africa. This broader orientation of SAPs and their adequate funding are essential elements of the external support that must be mobilized for African reform and development efforts in the 1990s.

16. The African countries estimated that the full implementation of APPER would require total financial resources of $128.1 billion, of which the African countries intended to provide $82.5 billion through the mobilization of domestic resources. The remainder, approximately $46 billion or just over $9 billion per annum, was to be met through additional external resources.

17. In the case of domestic resources, Africa's efforts fell short of projections because the continent's main source of external resources, and hence investment, earnings from commodity exports, plummeted in the face of weak prices on the world markets. In 1986 alone, Africa lost $19 billion as a direct result of falling commodity prices, with more than $50 billion of export earnings lost during the entire UNPAAERD period.

18. While some of Africa's partners substantially increased their support to the continent, the expectation of additional net resource flows over and above 1986 levels did not materialize. Indeed, net resource flows to Africa, in real terms, actually declined, from, $24.6 billion in 1986 to $23.3 billion in 1990. Official Development Assistance (ODA) stagnated, in real terms, to around $16 billion annually during 1986-1989, while private flows fell sharply.

19. Specific issues and concerns of UNPAAERD were not always dealt with satisfactorily. Africa's debt and commodity problems were not dealt with adequately, resulting in Africa becoming more indebted by the end of the Programme than at its inception, and earning a much diminished income from an increased volume of commodity exports.

PERFORMANCE OF THE AFRICAN ECONOMY

20. In light of the above, it is not surprising that the performance of the African economy during the UNPAAERD period remained highly unsatisfactory. Although there were variations between countries, the average rate of growth of the Gross Domestic Product (GDP) for the region improved somewhat during the UNPAAERD period, but still averaged only 2.3 per cent per annum. The result was that GDP per capita fell by an average of .7 per cent per year and was lower at the end of UNPAAERD than at the beginning.

Moreover, the year-to-year growth rates of GDP were erratic. Gross domestic investment, as a percentage of GDP, remained at low levels and actually declined, from about 23.9 per cent in 1980 and 19.2 per cent in 1986, to 17.6 per cent in 1989. Gross domestic savings stagnated at around 16 per cent during 1986-1989, compared with 24 per cent in 1980.

21. While the experience of individual countries varied, conditions in Africa during the second half of the 1980s generally reflected a regression in the living standards of the people, as reflected by the continuing decline in GDP per capita over the period under review. Social conditions worsened considerably, with deterioration in the areas of education, health, nutrition, employment and incomes, with especially serious effects on children, youth and women. Expenditure cuts contributed to the decline in health, education and other social services and to making access to these services more difficult for the poor. Weaknesses in domestic policy and attempts to correct them through devaluations, and a squeeze on wages, caused sharp falls in real incomes. This, in turn, lead to a breakdown in labour specialization and an "informalization" of the economies, with serious consequences for productivity, motivation, and accountability. The exodus of highly trained workers had a demoralizing effect in various countries, while available talent was often poorly utilized.

22. This unsatisfactory performance is due to the underdeveloped structures of the African economies, a host of internal and external factors, and the failure to promote and adequately support the priority sectors of UNPAAERD.

23. Consequently, there was scarcely any change for the better in the structure of the African economies during the UNPAAERD period. The lack of dynamism in those economies and their susceptibility to internal and external shocks persisted. The recurrence of drought in many parts of Africa, political instability, civil strife, military conflicts, weak institutions and, often, less than effective policies to mobilize and utilize domestic resources continued to be both cause and consequence of the poor economic performance of most countries.

24. Economic performance and efforts to improve it were particularly undermined by an unfavourable external environment; much reduced export prices and earnings while the prices of imports continued to increase; a crippling debt and debt-servicing burden; and, in light of the above, entirely inadequate net resource flows.

THE CHALLENGE FOR THE 1990s AND BEYOND

25. The situation of Africa is as precarious today as it was prior to UNPAAERD. There remains an urgent need for a major drive by African countries to reverse the socio-economic deterioration and put the continent on the path to sustained growth and development. This growth must be environmentally sustainable and development must be human oriented, with the effective participation of the African people in the development and the democratization of policy and society.

26. The African countries have shown determination to tread this path. The adoption of the *African Charter for Popular Participation in Development and Transformation*, and the Declaration of the African Heads of State and Government, at their 1990 Summit on the Political and Socio-Economic Situation in Africa and the Fundamental Changes Taking Place in the World, are significant landmarks. These and other encouraging initiatives must be sustained. In this regard, one of the most important developments over the UNPAAERD period has been the enhanced role played by Non-Governmental OrganizationS (NGOs), particularly African, in promoting grassroots development in Africa.

27. In light of the experience of the past five years, what can be said about the future? Africa does not lack regional and sectoral strategies, or agreed upon policy frameworks for meeting the challenges that confront it. Africa has charted its own path for development and transformation, as well as the democratization of development and society, through basic documents such as the *Lagos Plan of Action* and the *Final Act of Lagos;* the *African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation (AAF-SAP)* and the *African Charter for Popular Participation in Development and Transformation.*

28. Furthermore, a majority of African countries have carried out policy reforms aimed at improving efficiency and the allocation of resources. These measures continued to be pursued despite their often high political, social and economic costs, and have shown some positive results. By 1990, declines in economic output and in the delivery of social services had been slowed in many countries and even partially reversed in some. The ability to deploy additional resources effectively is stronger now than when UNPAAERD began. But the continuation of these reforms, as well as the implementation of the African strategies cited above, is being jeopardized by the lack of even minimally adequate resources. Neither socially nor politically can this reform effort be sustained without improvements in public services and a gradual rise in real income soon becoming apparent to African consumers and voters.

29. In any event, it is clear that even the fullest possible reform and restructuring of African economies could not generate the resources required for sustained economic recovery for the 1990's. Africa therefore needs an international framework of cooperation. It needs to focus on the paramount issues, the solution of which, will enable Africa to successfully implement its regional and sectoral strategies and programmes. A new compact for African development in the 1990s must be forged by Africa and the international community to support Africa's development strategies. And by eliminating various internal and external impediments, Africa can rid itself of the obstacles that hinder the hoped-for realization of those strategies. It is up to African States to take the lead in defining this framework, in collaboration with their development partners. It is important, however, to learn

from the experience of UNPAAERD and to focus on a set of objectives, issues and measures which must and can realistically be tackled in the 1990s. Not doing so would undermine the process of democratization and economic reforms now underway on the continent.

A NEW COMPACT FOR AFRICAN DEVELOPMENT IN THE 1990s

30. The results of UNPAAERD did not meet the expectations of the African peoples. However, the political and human solidarity with Africa, to which the General Assembly gave expression in 1986, continues. This historic "compact", burnished by the difficult learning experiences of the eighties, should be maintained and revitalized through the 1990s. But this time, it must be more explicit, with specific sets of actions to be implemented by Africa, Africa's increasing number of development partners, as well as the agencies of the UN system.

31. There is no need to renegotiate the overall objective of laying the foundation in Africa for sustained development. Africa's current economic situation, rather, calls for the establishment of targets and measures within an updated action programme which focuses on the elements that are critical for sustained development in Africa in the 1990s.

THE ELEMENTS OF A GLOBAL COMPACT

32. The renewed global compact for the 1990s should contain specific operational measures to attain clearly identified goals. Three essential goals that must be achieved throughout the continent should be:

a) economic transformation and diversification.

b) sustained development, including an acceleration of the rate of growth of GNP to at least 6 per cent per annum;

c) enhanced human development, with rapid progress towards human-oriented goals by the year 2000 in the areas of: employment, life expectancy, women's development and equal status, child and maternal mortality reduction, nutrition, shelter, health, water and sanitation and basic education;

33. In order to double per capita income, Africa and its development partners must strive for the target of a 6 per cent growth rate, per annum, over the next 24 years. This allows for an increase of about 3 per cent per annum in consumption for the continent. It would still mean, in sub-Saharan Africa's case, an average per capita income of about $700 by the year 2015, about double that of 1990, and some 60 per cent above the real level of 1980 after allowing for declines over the 1980s. A six per cent growth rate was achieved by 17 individual African countries for one or more of the eight year periods 1965-73, 1973-80 and 1980-87. To achieve that consistently, African countries must dramatically raise gross domestic capital formation above current levels. This will require that African countries deal effectively with taxation, the utilization of resources, and capital flight.

34. African countries have to continue adjustment efforts within a long-term framework, with the objective of achieving structural transformation, development and modernization of their economies. Within this process of structural transformation, which must be broadened and deepened by, inter alia, financing it adequately, African countries need to focus on the following priority areas in the 1990s:

(i) greatly increased investment in human development;

(ii) policies at the regional, national and global levels which integrate environment, population and food production;

(iii) enhanced efforts at regional integration and co-operation and better governance.

35. To achieve a 6 per cent annual growth rate, the international elements of the compact must include enhanced financial flows. It is therefore indicated that Africa requires in 1992 a minimum of $30 billion in net official development assistance (ODA), plus further significant reductions in external debt service. Net ODA should increase on a cumulative basis at 4 per cent per annum, up to the year 2000.

36. Even more important than aid flows, is the need for a bold attempt to tackle Africa's debt problem. It is simply not possible for African countries to develop under an existing debt burden exceeding $270 billion. The servicing of that debt alone currently consumes over 30 per cent of total exports, with the average loss nearing $21 billion per annum. However, only about 60 per cent of the debt service due has in fact been paid. The balance is accounted for by reschedulings, which largely roll payments forward, and by the build-up of arrears. Debt write-offs and write-downs must address not only the debt now being serviced, but also the debt overhang created by payment obligations being rolled forward and from the accumulation of arrears. Since 1987, some new thinking and initiatives have emerged on this issue, with some major donors cancelling portions of their African debt. These actions, although modest, do represent a growing consensus among the official bilateral community; that it is essential, not only to reschedule, but also to reduce the stock of debt. For example, the recent cancellation of $7 billion of Egypt's debt and forgiveness of 70 per cent of Poland's debt to the U.S. indicates that bold measures can be taken. The grave situation of African debt requires exceptional measures. It is therefore proposed that:

(a) official bilateral debt be cancelled.

(b) semi-official/export credit debts owed by African countries should also be cancelled.

(c) private/commercial debt, which is already highly discounted on financial markets, should be written down and the remaining debt reduced through donor-supported initiatives which could include elements such as debt-equity swaps, debt for environment schemes and poverty alleviation.

(d) debt owed to multilateral financing institutions, which now accounts for a substantial part, almost 40 per cent for sub-Saharan Africa, of the continent's debt-servicing obligations, should be substantially reduced with the assistance of donor countries.

37. An improvement in commodity prices would immediately enhance resource availability to African countries. Foreign aid during the last five years was hardly sufficient to cover losses incurred as a result of falling commodity prices. A number of schemes to compensate for sudden shortfalls in commodity earnings are available to assist countries, including the Common Fund for Commodities established under the Integrated Programme for Commodities. However, access to most of these resources is subject to meeting strict conditions and often funds are loaned at relatively high cost. There is a need for renewed efforts at international cooperation among consumers and producers, especially regarding coffee and cocoa, with a view to alleviating the problems faced by African producers. Diversification provides a major way out of commodity export dependence and its related problems. The study on diversification annexed to this report, offers a number of concrete suggestions, including creating a diversification fund. Additional resources will be required to support diversification programmes, through increased contributions by the international community, as well as more efficient domestic resource mobilization.

38. The compact for the 1990s can be accompanied by optionally specific country-by-country commitments. At the country level this might involve:

- the country committing itself to some specific development goals,

- a small group donors agreeing to provide long-term support to the country,

- specific measures agreed upon, providing for extra support should the present depressed commodity prices continue or fall further, or should changes in the external environment adversely affect the fulfillment of the country-level compact. These compacts could be freely negotiated by African and donor countries choosing to participate in such an arrangement.

Conclusion

39. Many important lessons have been gained from the experience of the past five years and, already, a broad consensus on priorities has begun to emerge. From the fundamental starting point that people are both the means, and the end, of the development process — which makes human development a priority — elements of an agreement are taking shape that would include: the need to increase agricultural productivity and food security; an enabling environment — political and legal — to foster initiative and enterprise; an expansion of productive employment opportunities; empowerment of people, good governance and accountability; action on regional economic integration; and above all, that short-term adjustment measures are embedded within a long-term perspective of structural transformation.

40. While there may be room for further debate on the ways by which some of these items are pursued, this consensus achieved during UNPAAERD can be the basis for future international collaboration. In order to surmount the grave challenges facing Africa, member States and all other development partners of Africa must fully utilize the opportunity provided by the final review of UNPAAERD to reach firm decisions on how cooperation between Africa and the international community can be improved during this decade. A renewed compact between Africa and the international community must be one that is fully observed and implemented by all parties.

III. REVIEW AND EVALUATION OF THE IMPLEMENTATION OF UN-PAAERD BY THE AFRICAN COUNTRIES, INTERNATIONAL COMMUNITY, NON-GOVERNMENTAL ORGANIZATIONS AND THE UN SYSTEM

A. Response of the African Countries

1. Introduction

41. In adopting UN-PAAERD in 1986, the African countries committed themselves to providing the necessary framework for launching long-term sustainable socio-economic development and growth by implementing Africa's Priority Programme for Economic Recovery, 1986-1990 (APPER). These priorities were: fostering agricultural development; rehabilitating and developing sectors in support of agriculture; combating drought and desertification; developing human resources; and putting into effect fundamental policy reforms.

42. This analysis of the response of the African countries in these areas is based on information obtained from questionnaires sent to ECA member States in the last quarter of 1990, which were followed up by missions. In addition, data from national sources was compared to, and complemented by, that of international data bases. Forty-eight countries responded to the questionnaire, a much greater number than in the survey conducted for the mid-term review on the implementation of UN-PAAERD in 1988. Countries not covered were, Namibia, which only recently became independent, and Liberia and Somalia, which were involved with internal conflicts.

43. Compared to the mid-term review, a much clearer picture of development has emerged. The majority of African countries have undoubtedly taken actions since the mid-eighties to implement Structural Adjustment Programmes (SAPs), and at the same time, have striven to implement policy reforms reflecting the priorities of UN-PAAERD. Yet, the transformation of the African economic structures remains a painfully slow process, and therefore, socio-economic conditions have yet to show any signs of a marked improvement.

44. The major factor which militated against close adherence to UN-PAAERD-inspired national measures was that Structural Adjustment Programs, with their emphasis on short-term fiscal and monetary balances, did not provide in many respects, a proper basis for a long-term oriented approach to restructuring and transforming the African economies. The negative social impact of these programmes can clearly be identified as one of the major factors working against the achievement of UN-PAAERD's goals in the field of human development. Recently, attempts have been made to mitigate some of these negative impacts.

45. Instead of operating in an environment which would become increasingly conducive to re-launching a genuine development agenda, many African countries found themselves with ever increasing resource constraints as export earnings diminished, while debt servicing obligations increased. This situation was compounded by the fact that major bilateral donors tied the provision of financial and technical assistance to a strict adherence to SAPs. The general setting for putting many UN-PAAERD-inspired policies into operation has thus been problematical and unfavourable.

2. Policy Reforms

46. Almost all African countries have taken measures to improve the management of their economy. Four-fifths attempted to implement other policy measures, such as monetary and fiscal reforms. Population policies have been formulated by 90 per cent of the countries and attempts to improve the participation of people in development were cited by 63 per cent. Policies to incorporate women into the development process have been reported by 76 per cent of the countries.

47. Regarding economic reforms, two-thirds of the responding countries, asked for a subjective rating, indicated that they had achieved a moderate to high rate of implementation and half of those reported that the relative impact of the implementation was moderate to high. With respect to social reforms, half of the countries considered that implementation of those reforms was moderate to high and about one third indicated that the resulting impact was moderate to high. Finally, nearly two-thirds of the countries reported a moderate to high degree of implementation of political reforms and half reported medium to high impact resulting from the adopted reforms.

(a) Improving the Management of the Economy

48. UN-PAAERD placed great emphasis on improving the structure and functioning of the public sector and its services. It was expected that countries could generate or reallocate resources for development by greater mobilization of domestic savings, improvement of financial management, including debt and development aid, and by increasing the efficiency of the use of resources. The positive role of the private sector was to be encouraged.

49. Seventy per cent of the countries reported measures for improving and strengthening public management systems, institutions and practices. Reforms in institutional systems were introduced in over a third of the countries by restructuring, decentralizing and reducing the size of the civil service and making civil servants more accountable. Other reforms related to strengthening and coordinating activities of the ministries and government agencies responsible for the

formulation, implementation and evaluation of policies. Over half of the responding countries developed two or three year investment programmes and consolidated their budget and debt management systems.

50. Eighty per cent of the countries implemented financial reforms to correct the budget deficit by reducing and redirecting public expenditure in order to mobilize domestic savings and improve resource allocation. Nearly half of the reporting countries have increased revenue through improved tax collection procedures as well as by abolishing tax exemptions and reductions. In half the countries the measures adopted were aimed at the reduction of public expenditure. Eleven countries stated that this has led to redundancies among existing public service staff and a freeze on new recruitment.

51. Actions to promote the private sector included reducing the role of governments in the management of public enterprises. Forty-four per cent of the reporting countries have denationalized, privatized or liquidated some of their public enterprises. In addition, measures have been taken in nearly half of the countries to transfer to the private sector the marketing and transportation of all products, to adopt attractive investment codes and to establish a free industrial zone for both nationals and foreigners.

52. One of the most important factors constraining recovery and development and constituting an immense drain on resources is the external debt, which has not lessened but increased during the period of UN-PAAERD. Debt servicing continues to absorb resources which otherwise would have been used to give renewed impetus to agriculture, industry, infrastructure and human development. In spite of efforts to reduce African countries' debt burden, including official debt forgiveness, rescheduling of official as well as commercial debt through the Paris and London Clubs, respectively, the aggregate result did not have a significant impact.

(b)Other Policy Measures

53. Policy reforms to improve management of the economy have often been supplemented by other policy measures, particularly in the monetary and fiscal areas. UN-PAAERD, taking into account policy experiences in the pre-1986 period, had explicitly urged policy-makers to apply these measures with prudence and, in general, to increasingly orient them towards the long-term. In 80 per cent of the reporting countries, the policy reforms included: exchange rate adjustments, changes in interest rate mechanisms; wage and salary reductions; and the widening of tax-bases, all of which, were aimed at moderate monetary expansion and reducing the international payments imbalance. Credit controls have been introduced in more than half the countries, mainly through a squeeze on bank credits and money supply. Nearly a third of the reporting countries, in addition to other monetary measures, also applied exchange control mechanisms. Many of them were obliged to devalue their currencies in order to stimulate exports and make domestic manufactures more competitive. Over half of the reporting countries also reported liberalization of interest rates. With respect to the fiscal reforms undertaken by over two thirds of the reporting countries, it should be noted that tax bases in the African countries are still narrow, while revenue from tariffs is subject to fluctuations in the international commodity markets.

54. In addition to the above mentioned measures, several countries pursued the following objectives: a drop in inflation, higher rates of savings, remunerative prices for farmers, reduction of subsidies, export competitiveness, improvement in balance of payments, better control of money supply, switching of credits from public to private sector and increased tax revenue.

55. The factors contributing to the successful implementation of these policies include: the determination of governments to succeed with such reforms, financial support from international institutions, control of inflation and a fixed exchange rate. Factors impeding the implementation include: the underdeveloped monetary and banking systems, lack of adequate savings, credit control and money supply problems, high rates of inflation, exchange rate problems and low international commodity prices. Eleven countries intended to take corrective measures, such as the arrest of the growth in money supply, containment of inflation, strengthening of the balance of payments situation, fiscal reforms, devaluation, requests for external loans, creation of incentives for entrepreneurs, removal of credit controls and their replacement with open market operations.

56. UN-PAAERD urged that "in coming years short term adjustment measures should give way to medium-term and long-term structural transformation". Over half of the implementing countries reported that their development plans were so directed, either through a sequence of rolling medium-term (five-year or three-year plans) or modular long-term (ten year) plans. A quarter of the reporting countries stated that they did not accept short-term SAPs, but only medium term ones. Many countries clearly expressed their intention to aim for medium-term and long-term structural transformation, but expressed grave doubts about whether policies to pursue sustained growth and sustainable development could be fully implemented given the severe impact of the volatile international economic situation on African economies and in the light of acute shortages of resources to implement such programmes.

(c)Population Policy

57. The Kilimanjaro Programme of Action on Population, 1984, had called, inter alia, for addressing the issues of high fertility and mortality, rapid urbanization, rural-urban and rural-rural migration, the problems of children and youth and the protection of the environment in a manner that would ensure compatibility between demographic trends, appropriate land utilization and settlement patterns and the desired pace of economic growth and development. Countries should also attempt to achieve a rate of growth for food production that is at least equal to the population growth

rate, within the shortest time possible.

58. Nearly 90 per cent of the responding countries have adopted an implicit or explicit national population policy. Two thirds of these countries have established national population institutions and mechanisms for increasing public awareness and are integrating demographic variables in development planning. Other policy measures dealt with efforts to reduce fertility through family planning, with special attention given to child spacing and contraceptive methods. A lowering of the mortality rate was pursued through maternal and child health care and immunization programmes (about two thirds of the countries). Efforts to achieve compatibility between population growth and the natural resource base took the form of migration and redistribution of the population (10 countries), protection of the environment (13 countries) and formulation of comprehensive rural development policies to stimulate agricultural production and economic growth (15 countries). The UN Fund for Population in Africa (UNFPA) findings show that 21 countries have policies to reduce rural-urban migration.

59. As most of these measures have been implemented only recently, their impact is still difficult to assess. However, in a third of the countries pursuing these policies, some effects have begun to be felt. Yet over all, the African population still continued to grow at an annual rate of 3.1 percent, clearly outstripping the growth in food production and GDP. Socio-cultural traditions and religious beliefs, illiteracy, lack of financial resources and health facilities, and low household incomes were named as hampering the progress of population policies. Countries reported that some of these problems could be addressed by having better surveys on demographic variables for integration in development planning (16 countries), reformulation of strategies on national population policy (14), rehabilitation of health facilities (11) and reformulation of agricultural strategies to improve production (10 countries). Public awareness of the socio-economic and environmental problems caused by rapid population growth has increased, but much greater efforts are required in this area.

(d) Participation of People in Development

60. Here, the primary concerns of UN-PAAERD included: ensuring the effective participation of the people in all dimensions of development; developing indigenous entrepreneurial capabilities, both in the private and public sectors; and establishing a sound basis for political, economic and social justice. In the African Charter for Popular Participation in Development, adopted in Arusha in 1990, these intentions were carried further by calling for the ".... emergence of a new era in Africa - an Africa in which democracy, economic justice and development for transformation become internalized and the empowerment of the people, initiative and enterprise and the democratization of the development process are the order of the day in every country....".

61. Measures taken by African countries for ensuring effective participation of the people in development include: community development, grass-roots participation and village and district development programmes (half of the reporting countries), the promotion of indigenous entrepreneurial capabilities, both for the private and public sectors; and measures geared towards establishing a sound basis for political, economic and social justice through strengthening of informal education systems. Over half of the implementing countries cited women's associations as the driving force behind the implementation of such projects.

62. The reported results are encouraging. A growing number of self-help projects, from formal and informal groups of entrepreneurs to an increasingly active participation in development by communities (health care, education, water and roads etc.), were reported by nearly 40 per cent of the implementing countries.

63. Success was seen to hinge on the commitment and determination of the people to get involved in national development. Major impediments were the lack of financial resources, a weak productive base, and the lack of properly developed skills and infrastructure. Natural disasters, a generally unfavourable external environment and the local security situation also impeded progress in a number of countries.

(e)Women and Development

64. UN-PAAERD recalled the "Arusha Forward-looking Strategies for the Advancement of Women in Development beyond the United Nations Decade for Women". This recommended that the role of women in development must be taken seriously into account in development planning and in the disbursement of resources, both as contributors to, and beneficiaries of, development efforts. It emphasized the need for recognizing and encouraging the pivotal role of women as food producers on the continent.

65. Nearly eighty per cent of the responding countries reported on specific policy measures for promoting the involvement of women in development. Institution-building was seen as a major tool: over three quarters of the reporting countries established women's units and departments. The involvement of women in national development was sought through their integration and assimilation in national political and policy institutions, the removal of cultural barriers and the establishment of a health care structure. Training programmes for women, through formal and informal literacy campaigns and technical or vocational skills-building programmes, were identified as being crucial by about two-thirds of the reporting countries. The pivotal role of women in food production in the continent is being increasingly recognized and in this regard, special emphasis has been placed on women extension agents and the establishment of women's co-operatives and distributive networks. NGOs were identified by over half the reporting countries as the driving force behind the implementation of all these projects with religious, cultural and co-operative groups also playing an important role.

66. Tangible results of these policy reforms were an

increased female participation in education and development projects (nearly one third of the countries), evidence of higher skills and incomes and an increase in the number of women entrepreneurs (one-quarter of the countries).

67. Nineteen countries reported positive results from legislation assisting women, the creation of women's affairs departments and units within the government and the political involvement of women. A great resolve, action on the part of the government and the acceptance of women's full participation by the society was cited in nearly 40 per cent of the countries. Among the most important factors which impeded the successful implementation of the reforms were inadequate training, management or technical skills (25 per cent), the lack of capital or credit facilities (18 per cent), and cultural or religious attitudes (22 per cent of the countries).

68. For the future, five countries envisaged the formulation of a national policy on the status of women. Change of legislation, improvement in training skills and increase in funding were also foreseen in nine countries, and some expected that the pursuit of women's literacy schemes would eventually translate into long-lasting results.

3. Priority Sectors

69. All countries responding to the questionnaire reported measures to improve the agricultural sector during the period 1986 to 1990. And, as many countries had just emerged in 1986 from one of the worst droughts in African history, a priority was to establish actions to combat food emergencies. These included such efforts as instituting early warning systems and national emergency preparedness programmes. Medium-term measures were to give renewed promotion to agricultural development in order to achieve increasing levels of productivity and production. And, by inter alia, they sought to raise the level of investment in agriculture, increase food and livestock production, enhance the use of arable land, and improve pricing and credit policies. Two thirds of the African countries also made greater efforts to improve sectors in support of agriculture, including the development of agro-related industries, the improvement of transport and communications and of the trade and finance sectors. Again, two thirds of the countries reported policies to combat drought and desertification, by promoting afforestation, soil conservation and increasing the availability and quality of water and energy resources. Four out of five countries have specific policies for development and better utilization of their human resources. For example: the improvement of the education and health sectors, the expansion of employment opportunities, the promotion of the socio-economic role of women and youth, and the elimination of the "brain drain".

(a)Agriculture.

70. African countries have increasingly accorded priority status to agriculture in their national development plans and policies and focused on mobilizing additional resources, internally and externally, for the sector. Twenty four-countries earmarked 20-25 percent of public investment for agriculture.

71. Despite the adoption of measures specified in UN-PAAERD, food security continues to elude many African countries. Throughout the period of 1986 to 1990, food shortages were present at some point in one or more of the sub-regions. Particularly hard-hit were those countries which experienced a combination of drought and civil strife. These forces gave rise to refugees and a large number of displaced people.

(i)Immediate measures to combat food emergencies

72. About 80 per cent of the countries have adopted emergency food policies and 60 per cent reported improved food storage facilities. Half the countries have instituted early warning and emergency preparedness systems and 40 have strengthened their agricultural research efforts.

73. However, the region's ratios of self-sufficiency in food and agricultural commodities continue to show a downward trend: the self-sufficiency ratio (SSR) for food commodities dropped from 92 in 1980 to 85 in 1990 while that of agricultural commodities went from 99 to 92 over the same period. Most African countries, therefore, had no alternative but to rely on food imports and food aid. By 1989, the value of food imports purchased was more or less at its 1981 level. During the period 1986-1990, the amount of cereal food aid received by the region increased from 5.9 million tons in 1986 to 6.3 and 6.2 million tons in 1987 and 1988, then fell to 4.7 and 4.6 million tons in 1989 and 1990 respectively. This, of course, was related to the incidence of drought and other emergencies. Even allowing for these, food security still remained an elusive goal for many countries.

74. The capacity to respond to food emergencies was considerably hampered by poor transport facilities, inadequate storage structures, absence of strategic food reserves, and the virtual non-existence of emergency funds at all levels. Countries thus relied increasingly on bilateral donors or UN agencies for emergency assistance. Collaboration among national and sub-regional early warning systems remained at a rudimentary level.

(ii) Medium-term Measures

75. Countries reported an impressive range of policies and measures to boost agricultural production. Eighty per cent have substantially raised the share of agriculture in public investment, undertaken measures to restore, protect and develop arable land and adopted policies to improve livestock production. Nearly 40 per cent of them adopted policies to rehabilitate or conserve their natural resources and about half embarked on soil conservation and forestry development. Thirty per cent promoted greater use of agricultural inputs, while a quarter expanded the utilization of low-cost, simple agricultural technologies. Action to control deforestation and bush fires, a major factor behind falling agricultural output in some areas, has been taken by 12 countries.

76. Special attention was accorded to the implementation of incentive schemes, better credit facilities and pricing policies. About a quarter of the countries, liberalized trade in agricultural commodities, abolished export taxes and reduced import taxes on agricultural inputs. They also eliminated or decreased subsidies and price controls. In a bid to stimulate agricultural production, prices have been announced well ahead of planting seasons. One-fifth of the countries adopted policies to encourage private sector investment, and the role of women and grass-roots initiatives in agricultural development has found increased recognition and has been reflected in greater technical and institutional support.

77. Between 1986 and 1990, African agricultural production grew at an annual rate of some 3 per cent, according to the UN Food and Agriculture Organization. On a per capita basis, Africa recorded an annual decline of 1.7 per cent over the period. The trend in the per capita food production index was even more disappointing, registering a drop from 99 in 1986 to 92 in 1990, where the average annual production for the period 1979-81 equals 100. With the exception of North Africa, all regions performed weakly, with no less than 34 countries showing a decline in per capita food production since 1986.

78. The agricultural sector of African countries continues to be highly vulnerable to external factors which are, at least in the short-term, largely beyond their control. Half of the countries stated that their production levels depended on the vagaries of the weather and were vulnerable to natural disasters such as floods and typhoons. About one-quarter of the countries had been afflicted by insect infestations (e.g.locusts) and crop diseases.

79. Other oppressive factors were ascribed to various capital, input, infrastructural and market constraints. Low agricultural productivity was linked to poor soil quality and deficient land management, a lack of mechanization, fertilizers and a generally low level of techniques and technology. Three countries emphasized that the rural exodus, with the ensuing problem of an over-aged rural population, was having an increasingly negative impact. Deficient storage and distribution systems, as well as downward pressure on prices - both domestic and for export crops - were cited by several countries. The region's export earnings from agricultural commodities, which had amounted to US$11.25 billion in 1986, had, by 1989, declined to US$10.14 billion.

80. The disappointing overall picture did not, however, preclude progress in individual countries where the climate, infrastructure and market conditions were more favourable. There were positive effects from an increase in real producer prices and government incentive schemes. Fourteen countries reported benefits from raising their levels of investment in agriculture and from improving food storage capacities.

(b)Other Sectors in Support of Agriculture

81. Laudable efforts were undertaken by African countries to promote the rehabilitation and development of agro-related industries. Progress was constrained, however, due largely to external factors, most notably the lack of available foreign exchange to acquire spare parts and raw materials. This negated full utilization of facilities so that maximum capacities could not be reached to meet ever-growing demand. In most African countries, where agro-processing is the most important manufacturing sub-sector, accounting for at least 50 per cent of manufacturing value added, policy shifts tended to emphasize the liberalization of operating conditions, the reduction of government ownership and control, the development of small and medium-scale industries using local raw materials and the strengthening of domestic input-output linkages. The expansion of the sub-sector was, however, small as low-income groups could not afford processed food and the export potential for processed goods remained limited.

82. No uniform continental trend could be discerned that gave evidence of a general rise in the value-added in agro-related industries due to the wide fluctuations at instant market prices. The overall expectation, that African countries would be able to progressively increase exports of processed and semi-processed materials with greater value added, did not materialize. The growth of Africa's agro-industries was hampered by inadequate agricultural, industrial and economic policies; weak integration between agriculture, manufacturing and trade; conceptual mistakes in the establishment of enterprises, as well as technological and infrastructural deficiencies. In spite of the measures taken by countries to accelerate the development of agro-based industries, the sub-sector has, in general, performed poorly during the eighties when measured against the targets set in the Lagos Plan of Action, Industrial Development Decade for Africa (IDDA) and UN-PAAERD.

(ii)Transport and Communications

83. Despite the efforts made to improve and expand the performance of African transport and communications systems, the efficiency of these sub-sectors is generally far below international standards, even when compared to other developing regions. While infrastructure and equipment were deteriorating, the costs for transport and communications were high. Africa's transport and communications network density is the lowest in the world.

84. Road, railway and inland water transport problems have largely remained the same during the period under review. There persists a substantial backlog of road maintenance and rehabilitation, weak institutions and an inadequate road network. The present road length averages only 5 km per 100 km^2 as opposed to 12km/100km^2 in Latin America. Rail and inland water transport are in need of regional inter-connection and technical improvements to increase performance and development of human resources in the two sub-sectors. Since 1986, African countries have, however, intensified programmes to reach self-sufficiency in the production of spare parts for road and railway equipment and modern production methods have been adopted by many.

85. Maritime and air transport both performed poorly. Africa's shipping fleet remained grossly unbalanced due to the predominance of the traditional non-competitive and technically outdated general cargo merchant fleet over the container fleet. In addition, oil tankers and bulk carriers dominate the industry. Contrary to the global trend, maritime freight costs, as a percentage of the value of African imports, increased between 1986 and 1988. Management deficiency in maritime transport was seen as a major factor explaining this increase. In order to provide necessary restructuring of the African airlines industry, a three-phase action programme has been spelled out in the "Yamoussoukro Declaration on the New African Air Transport Policy".

86. The telecommunication sector, in spite of clear improvements during 1986-1990, continued to lag far behind other developing regions. Africa's telephone density in 1988 was the world's lowest, with 0.72 Miles of Line (ML) per 100 inhabitants, versus 5.87 ML per 100 inhabitants in Latin America. Some African countries (Kenya, Nigeria, Morocco, Ethiopia, etc.) have recently embarked on local assembly of telephones with imported components, a labour-intensive endeavour. Efforts to improve broadcasting and press services have been more successful and the media have an important role to play, both in education and in increasing popular participation in development.

(iii)Trade and Finance

87. Nearly all African countries had adopted and were implementing policies in the area of trade and finance. These included higher price incentives for agricultural products; price decontrol for consumer goods; liberalization of marketing and distribution and, in some cases, of financial services.

88. In the agricultural sector, for example, a number of African countries improved significantly the nominal levels of producer prices. However, these gains were often eroded by high inflation rates and the removal of agricultural subsidies for key inputs. Changes in nominal producer prices in the 1980s were thus not able to provide adequate incentives.

89. Trends in domestic, intra-African and international trade, even though improving over the 1980-1985 period, did not meet expectations. During the years 1985-1989, the volume of exports of African countries increased on average by only 2.5 per cent, while imports, affected during the period of UN-PAAERD by the debt overhang and foreign exchange shortages, decelerated from an annual average growth rate of 1.5 per cent during 1980-1985 to 1.2 percent during the latter half of the 1980s. Intra-African trade remained marginal at approximately 6 per cent of total African trade. Domestic trade in many African countries was affected by inhibited agricultural output, severe dilapidation of the infrastructure, austerity measures and low priority accorded to this sub-sector in many government expenditure programmes. Accordingly, internal distribution channels often as severe bottlenecks to domestic trade.

90. Recognizing the importance of integrating sub-regional and regional markets, the Union of the Arab Maghreb was created during the UNPAAERD. Also, existing groups, such as the Economic Community of West African States (ECOWAS) and the Preferential Trade Area for Eastern & Southern African States (PTA) have been involved in trade liberalization and expansion aimed at integrating their economies. Complementary institutions have been created at the sub-regional level to facilitate transactions, including clearing and payment arrangements.

91. During the period of UN-PAAERD, efforts were accelerated to achieve Africa's economic, monetary and financial integration. The Treaty for the establishment of the African Economic Community was signed by the African Heads of State and Government on the 3rd of June 1991, during their Summit in Abuja, Nigeria. Progress on the establishment of an African Monetary Fund has, however, slowed as the prevailing economic and monetary problems facing African countries have hampered the effort. A review after a period of five years has been suggested by a Ministerial Committee of OAU.

(iv)Drought and Desertification

92. In 1986, when UN-PAAERD was launched, Africa was only just beginning to recover from the effects of widespread drought. Since then, although rainfall has been more reliable in most countries, food shortages have emerged every year in some parts of the continent, most often caused by a combination of drought, civil strife and the ever increasing growth of human and animal populations. These factors have contributed to the presence of refugees and displaced persons, whom, in turn, have put overwhelming pressure on the fragile ecosystems.

93. By and large, every country in Africa has urgent problems with deforestation, soil degradation and deterioration of water resources. Three-quarters of the African countries have responded to these problems by developing policies for energy and natural resource management. A fifth of the countries now have national policies to improve efficient management of energy, especially for wood and charcoal, as well as to harness renewable sources such as hydro, solar and biomass. Five countries specifically reported on their national conservation strategies.

94. Afforestation is replacing, on average, less than 7 percent of the trees felled. North and East Africa have the best records, but in 14 countries reforestation replaces less than 1 percent of the area felled. In some countries, fuelwood will soon be unavailable unless massive replanting is undertaken. Almost half the countries have tried to improve the management of water resources. A quarter are giving priority to constructing boreholes and wells and to improving rural water supplies. A few countries have developed integrated water management policies. Development of irrigation schemes has been reported by a sixth of the countries. While soil erosion and degradation, caused mainly by poor agricultural practices, are leading to drastic declines in soil fertility,

deterioration in water retention capacity, low crop yields and to increased pressure on the land, less than half of the countries reported any action. UNSO conducted a survey in 1989 with similar findings of continuing desertification, especially deforestation and soil degradation. Apart from techniques for soil protection and enhancement, such as terracing, construction of bunds or other structural methods, countries reported the use of contour ploughing and grass strips, the encouragement of inter-cropping, crop rotation and fertilizer use. Some countries reported on their dune stabilization programmes.

95. The eventual success of most policies for protecting natural resources can only be evaluated in the long-term. Among the prerequisites for success repeatedly mentioned by the countries, are the support and involvement of the local people, whether developed through education and awareness campaigns, or beginning with local initiatives or proposals. Other factors included strong government support, introduction of appropriate technology, co-operation between both governmental and non-governmental organizations, availability of inputs and application of relevant research findings. Failures were due to lack of funds, research and technical knowledge, lack of support from the local people, shortage of materials, poor maintenance and management. There is a growing awareness that long-term programmes with a sustained commitment could carry more importance than isolated short-term projects. Co-operation among countries remains, however, mostly marginal and requires much greater attention. The implementation of plans such as the United Nations Plan of Action to Combat Desertification needs to be given more attention.

(v)Human Resources Development, Planning and Utilization

96. Human resources should be the central focus of development and planning. Although most countries have recognized this need, the lack of adequate financial resources has meant that little progress has been made in this sector. In the context of SAPs, public sector employment freezes (19 countries), laid-off workers, frozen wages and salaries (16) and cuts in wages were reported. The level of real governmental wages paid, in African countries, have been reduced by more than half in the decade of the 1980s. Reduction or removal of subsidies on education, health and public utilities were reported by 17 countries as well as reductions on food (11), the levying of user fees for education (15) and health (17).

97. African countries reported that they attempted, nevertheless, to promote human resource development. New policies for creating and strengthening institutions were formulated and policy changes effected in a sizeable number of countries. Eleven countries created new ministries charged with human resources development, others established new departments (13), sections or units (12). New administrative frameworks for coordinating the integration of women and youth in development were set up in 15 countries. Training or job-creation programmes (10) and improving agricultural extension, accessibility to credit and technology, training and entrepreneurship development (13) were activities specifically geared to the needs of these two groups. Efforts at arresting the brain drain, including overseas recruitment drives, special employment incentives, economic and political liberalization and entrepreneurship development, were largely frustrated by the overall deterioration in social and economic conditions, and, in some cases, were compounded by civil strife and war. Employment policies focused on the promotion of private-sector employment were reported by 21 countries, followed by revised salaries and wages (14), public sector reforms and improved management structures (10). Regarding their impact, 17 countries stated that these policies helped to create a large number of jobs in the private sector, without specifying, however, whether this was in the formal or in the often low-productivity, low-income informal sector. A very encouraging trend to introduce new technology of information in education has been observed during this period. Moreover, efforts are being made across the continent with a view to improving the schooling of girls, especially by reducing the rate of dropout from schools and by expanding non-formal educational opportunities.

98. Important human resource development policies were formulated for promoting general education and skills. Seventeen countries sought to expand literacy programmes; 12 to attain universal primary education and 11 others gave priority to increasing opportunities for training of out-of-school youths. Fifteen countries reported policies to improve tertiary or technical education. New ministries for the eradication of illiteracy were created in five countries, new departments in 12 and new sections/units in 10. Seventeen countries established Committees or Commissions on literacy, and, in 23 countries, cooperation with NGOs was intensified for the fight against illiteracy. In spite of these measures, UNESCO data show that primary level gross enrolment ratios which stood at 77 per cent in 1980, dropped to 72 percent in 1987 and then to 70 per cent in 1990 and retention rates worsened. The cost-recovery and cost-containment measures associated with Structural Adjustment Programmes may have contributed to this development. UNESCO also estimates that reduced funding of basic education and mass literacy programmes resulted in an increase in illiteracy in Africa by an estimated 5 million people during the second half of the 1980s.

99. The majority of African countries have experienced a fall in the living standards of their people over the last few years and the numbers in absolute poverty in Africa has increased from 270 million in 1986 to 335 million people in 1990, representing 52 per cent of the African population. UNDP reports that Africa was the only region in the world in which poverty was on the rise in the 1980s.

4. Action at the Sub-Regional and Regional Levels

100. Actions taken at the regional and sub-regional levels towards the implementation of UN-PAAERD include establishment of crop protection networks and co-ordination

of the national early warning systems of over 30 countries in the Global Information and Early Warning System (GIEWS) and the African Centre for Meteorological Application for Development (ACMAD). Other intergovernmental organizations involved in combatting drought and desertification are the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS), and the Inter-governmental Authority on Drought and Development (IGADD) in East Africa. Efforts are being made to improve co-operation between the different sub-regional organizations and to avoid duplication of efforts.

101. The Southern African Development Co-ordination Conference (SADCC) has been involved in both counteracting the destabilizing policies of South Africa and promoting inter-state trade and co-operation. Food security measures include; the establishment of a regional early warning system; major research programmes with respect to drought-resistant grains and legumes; regional transport co-ordination focused on the rehabilitation of five main inter-state routes to Maputo, Beira, Nacala, Dar es Salaam and Luanda, plus, completion of an inter-linking national ground satellite telecommunications network; and enterprise-level activities focused on airline schedule co-ordination and increasing the efficiency of management. In energy, initial steps toward linking national electricity grids were taken, while co-ordination, research, and exchange of data focused on wood fuel and forestry.

102. The Economic Community of West African States (ECOWAS) adopted a three-year Economic Recovery Programme at Abuja in June 1987 consisting of both short-term measures to set up economic recovery policy frameworks, and a longer-term investment programme in national and sub-regional projects. Much of this programme corresponded to the priorities of UN-PAAERD, with an emphasis on regional programmes. There have been severe financial problems due to the late- or non-payment of contributions by member States, but nevertheless, many of the short term programmes have been implemented. The investment programme has identified 136 projects, costing US$1.67 billion, of which, 23 have been financed and 8 are ready for financing. The community has helped to establish a revolving line of credit with the African Development Bank (ADB) for private sector projects and has assisted several states in project preparation. Staff training in this area is still underway and future plans include placing greater emphasis on regional programmes and on private sector involvement.

103. The Preferential Trade Area for Eastern & Southern African States (PTA) has been concentrating on trade liberalization and expansion between member countries, as well as promotion of agriculture and industry based on inter-country specialization. Their aim is to integrate the economies of the PTA countries into one economic unit. Specific programmes have included promotion of afforestation, sub-regional agricultural research, and feasibility studies in preventing post-harvest food losses. Other programmes have included joint exploration and utilization of energy resources, development of agro-industries, developing coastal transport, harmonizing flight schedules and promoting regional aircraft maintenance. Preferential tariffs in telecommunications have been instituted within the region and transit regulations have been improved. Trade liberalization has been achieved by reductions in tariffs, relaxation of non-tariff barriers and simplification of customs procedures. Monetary reforms have included the introduction of PTA travellers cheques in 1988 and development of a PTA Clearing House, while a Trade and Development Bank was established in 1986.

104. The Lake Chad Basin Commission (LCBC) has been involved in afforestation, assisting agricultural research and in a project to plan and manage the water resources of the basin, with financing by UNDP. It has developed a Master Plan for the environmentally-sound management of natural resources in the Lake Chad Basin, financed by UNEP and UNSO, and this will provide the basis for a study of ground water resources. Problems have arisen because of late payments of contributions by member States, and suggested improvements include reinforcement of technical co-operation and improvements in communications.

105. The Mano River Union (MRU) has also been undertaking integrated development of the river basin, including irrigation, fisheries and forestries, as well as development of small-scale hydro electric power and is preparing an industrial development programme linked to agricultural production. It has also been involved in improving regional transport links and co-ordinating telecommunication and postal services

106. Negotiations on the establishment of a Preferential Trade Area for the North African States are still underway, with the Union of the Arab Maghreb already established. The African Economic Community Treaty was signed in June of this year at the OAU summit.

107. During 1986-1990, many of the activities of the (ADB) reflected policies recommended in UN-PAAERD. The ADB has increased its commitments to agriculture, transport, health and education from US$866.2 million in 1985 to $1.31 billion in 1990, or a total of $5.8 billion over the period. This amounted to 48 per cent of the Bank Groups' commitments. The Bank's advocacy of measures aimed at strengthening the foundation of long-term sustained development, particularly environmental conservation, human resources and private sector development, has helped to promote the incorporation of these measures into national long-term development programmes. Specific programmes have been financed relating to afforestation, development of water resources and drought-resistant crop varieties. The ADB has also assisted in the improvements to storage, transport infrastructure and in measures to alleviate the refugee problem. The Bank has improved the effectiveness of its country programming, accelerated disbursements and participated in co-financing and aid co-ordination activities.

B.Response of the International Community

1.Introduction

108. The international community recognized "that the process of development being initiated by the African countries reflected in Africa's Priority Programme for Economic Recovery 1986-1990, has to be supplemented by complementary actions of the international community through intensified co-operation and substantially increased support." It "also realized that lasting solutions to the exogenous constraints, over which Africa has no control, will have to be found since their persistence will impede the efforts of the African countries." (General Assembly resolution S/13/2, annex, paras. 13, 15.)

109. The international community recognized "that the African countries need additional external resources" and committed itself to "making every effort to provide sufficient resources to support and supplement the African development effort" and "agreed on the importance of increasing official development assistance to Africa, its improved quality and effectiveness." It appreciated "that the realization of Africa's development efforts would be greatly eased if the flows of external resources were predictable and assured" [S/13/2, paras 16 and 17 (c)].

110. The international community also recognized in UN-PAAERD that measures were needed to improve the quality and modality of external assistance and co-operation; to deal urgently with commodity issues, taking into account the special interests of African countries; and to alleviate the region's debt burden [S/13/2, Paras 17(a) and (b)]. The response of the international community to these commitments and objectives is reviewed in the following section.

2. Resource Flows

111. Despite several initiatives by Africa's bilateral and multilateral partners to mobilize additional resources for the African region, the overall result has been disappointing as there was a reduction, rather than an increase, in real net resource flows to Africa by the end of the UN-PAAERD period. Measured in 1986 prices and exchange rates, net resource flows declined, from $24.6 billion in 1986 to $23.3 billion in 1990 (see Table 1).

112. Official Development Finance (ODF), mainly Official Development Assistance (ODA), constituted the predominant source of net resource flows to Africa during 1986-1989, representing about 85 per cent of total flows. Nevertheless, ODA to African countries remained, in real terms, more or less constant during the 1986-1990 period, amounting to $16.2 billion in 1986 and $16.9 billion in 1989.

113. Export credits and private flows declined sharply during the UN-PAAERD period. The net flow of export credits turned negative during the UN-PAAERD era, from a level of $2.1 billion in 1985 to a net outflow of $1.8 billion in 1988. Net export credits were estimated to have been $4 billion in 1989, but fell again according to provisional estimates to $1 billion in 1990, still well below the 1985 level. Private flows also declined sharply, from $5.3 billion in 1986 to an estimated $3 billion in 1990. Grants by non-governmental organizations rose from $1.1 billion in 1986 to $1.4 billion each in 1988 and 1989. This occurred at a time when the aid budgets of many countries came under pressure.

114. Africa's share in bilateral ODA from Development Assistance Committee (DAC) donors remained constant during 1986-1989, while the share of the Sub-Saharan region increased slightly, from 28.5 per cent in 1986 to 29.8 per cent in 1989. ODA from non-DAC countries declined over the period. The major political and economic changes currently underway in Central and Eastern Europe, coupled with emerging economic constraints, indicate that the aid efforts of the USSR and other Central and East European countries might not be maintained at current levels. Likewise, the Gulf Crisis and the huge costs of reconstruction in that region will have major consequences for the future volume and orientation of Arab aid. As a result of these geo-political changes and their economic impact, the volume of ODA to Africa from non-DAC sources is likely to decline further in future.

115. The multilateral financial institutions increased their support to Africa during the UN-PAAERD period in a number of ways. In 1986, the International Monetary Fund introduced a new concessional Structural Adjustment Facility (SAF), which was further enhanced the following year. In 1987, the World Bank also launched the Special Programme of Assistance (SPA), as well as completing the eighth replenishment of its soft loan affiliate, the International Development Association (IDA), of which, half the resources were earmarked for Africa.

116. The World Bank's net disbursements to Africa totalled $7.6 billion during 1986-1989, i.e. at an average annual amount of $1.9 billion. At 1986 prices and exchange rates the World Bank's commitment to sub-Saharan Africa was $2.94 billion in 1986 and $3.21 billion in 1989. Over half of the lending to sub-Saharan Africa was IDA lending on concessional terms. The most important international initiative implemented by the World Bank in favour of Africa was the launching of the SPA in 1987. This was designed to mobilize and co-ordinate quick disbursing of external assistance and concessional debt relief so as to support adjustment in low-income, debt-distressed countries of Sub-Saharan Africa.

117. In the case of the World Bank, loan repayments have been more than compensated for by increased IDA flows. Nevertheless, net disbursements of World Bank resources to sub-Saharan Africa amounting to $7.6 billion during 1986-1989 resulted in net transfers of $4.9 billion during the same period as a result of payments of interest and charges to the Bank.

118. The IMF's total direct financial commitment to Africa increased from SDR 1.5 billion at the end of 1986 to

SDR 2.8 billion at the end of the financial year 1989. The number of countries supported by arrangements with the Fund increased from 17 at the end of 1985 to 25 at the end of June 1990. Given the non-concessional nature of all IMF lending prior to 1986, its increased lending to Africa in the early 1980s in support of stabilization and adjustment led to a situation of negative flows in Africa by mid-decade. The Fund responded to this situation by establishing the Structural Adjustment Facility (SAF) in March 1986 and in 1987 the Enhanced Structural Adjustment Facility (ESAF) was also established. Both facilities provided assistance, on concessional terms, to support medium-term SAPs in low-income countries with persistent balance of payments problems. About $12 billion was made available world-wide under both facilities (with credit terms of 10 years, of which five and a half years are grace period, and at 0.5 per cent interest rate). Of the 62 countries which qualify for access to these facilities over half (34) are in sub-Saharan Africa. SAF disbursements to Africa at the end of July 1990 were $1.29 billion (or 60% of total SAF disbursements) and ESAF disbursements were $970 million (86-87% of total ESAF disbursements).

119. Some 20 per cent of the total resources available under both facilities had been disbursed in Africa by 1990. These disbursements did not provide adequate resources to offset the repayments resulting from earlier stand-by arrangements. Total net credits from the IMF to Africa, which hovered around $1.7 billion between 1981 and 1983, dropped to $700 million and $200 million in 1984 and 1985, respectively, before turning negative in 1986 and averaged a negative outflow of $580 million annually between 1986 and 1990.

120. Availability of World Bank and IMF resources is usually conditional upon the implementation of Structural Adjustment Programmes (SAPs), a fact which appears to limit access to these funds and to lower disbursement. However, a shift by the World Bank from project financing to policy-based balance of payments support has resulted in faster disbursing loans. During the first phase of the Special Programme of Assistance (SPA), the share of such loans was some 35 per cent, compared with less than half that in the preceding three years. There were major problems noted in the context of the first SPA. Procurement and disbursement procedures were usually tied to the recipient country's trade and exchange rate reform programmes and did not provide assistance on an untied basis. Furthermore, the SPA is a donor grouping in which African governments do not participate. And finally, the focus of the first SPA, as reflected in the Policy Framework Papers, was on adjustment policies rather than on the wider and longer-term development framework, including aspects of human resource development, capacity and institution building and the environment.

121. One year after the adoption of UN-PAAERD, the member countries of the African Development Bank concluded an agreement to raise the capital of the Bank by 200 per cent from Bank Units of Accounts (BUA) 5.4 billion to BUA 16.2 billion. UNPAAERD specifically called for the speedy fifth replenishment of the African Development Fund and for increased concessions in the development assistance provided through the multilateral institutions. The ADF-V negotiations ended in 1987 with agreement on a $2.67 billion replenishment of the Fund, which was 50 per cent more than the preceding replenishment.

122. Partly as a result of these developments, the Bank Group was able to expand its lending during 1986-1990 to $12.1 billion, from $4.3 billion during 1981-1985. Of this, the ADF approved $4.2 billion during the UN-PAAERD period, compared with $1.8 billion during the previous five years and the Bank Group continued to place top priority on agriculture and sectors in support of agriculture. Agriculture alone accounted for 26.2 per cent of the loans and grants approved during the UN-PAAERD years, while transport, and education and health accounted for 12.8 per cent and 9 per cent, respectively. In view of the importance of a structural and policy environment to the successful implementation of economic operations, the Bank Group committed a total of $2.56 billion, equivalent to 21 per cent of its total lending during 1986-90, in support of the member countries' economic reform efforts. At the same time, in order to further contribute to ensuring the sustainable development of the economies of its member countries, the Group has intensified its efforts in the areas of economic integration, environmental protection, promotion of the participation of women in development, and in population activities. As a result of measures taken within the Bank Group to speed up disbursements, these rose to $6.2 billion during 1986-1990, from $1.65 billion during 1981-1985. Disbursements from the ADF amounted to $3.95 billion and $905.3 million, for the same periods. Less repayments of principal, interest and other charges, the Bank Group transferred to its regional member countries a total of $3.9 billion during 1986-90, compared with $1.1 billion during 1981-85. Of this, the net transfer of concessional resources amounted to $2.05 billion for the UN-PAAERD period, compared with $705.8 million for 1981-85.

123. At the conclusion of the ADF-V negotiation, the Fund's participating states also agreed on a number of measures aimed at improving the concessionality of ADF resources. These included the provision for ADF-funded technical assistance on a grant basis and limiting access to ADF resources to the poorest of regional member countries.

3. The External Environment

124. UN-PAAERD recognized that "there is a need for the international community:

> (i)To evolve and implement policies conducive to sustained, equitable and non-inflationary growth, including the expansion of trade through, inter alia, the elimination of protectionism, particularly non-tariff barriers, in accordance with existing commitments, the adoption of measures which encourage African exports and diversification programmes, and improved market access, especially for tropi-

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cal products, within the framework of the General Agreement on Tariffs and Trade;

(ii)To deal urgently with commodity issues, taking into account the special interest of the African countries, in the framework of an overall approach, embracing commodity agreements/arrangements, adequate compensatory financing, and also to increase the capacity of African countries to process, market, distribute and transport their exports, and in this context to stress the importance of sufficient ratification of the agreement on the Common Fund for Commodities, for it quickly to become operational."

125. In spite of the crucial importance of a favourable international economic environment to the success of African efforts towards recovery and development, little significant progress was registered in the areas mentioned above.

126. Although trade grew faster and there was generally a recovery in the OECD countries during 1986-1990, Africa did not benefit from this turn-around. Indeed, Africa's export revenues fell at the same time that the continent's export volumes increased and the volume of world trade expanded. This apparent paradox can be explained by a number of factors. Paramount among these are the continued weak prices of some commodities; the total collapse of cocoa and coffee prices due to over-supply and the failure of the relevant commodity agreements; the continued supply overhang in some of the commodity markets; and the significant loss by Africa of its share of the global market for many of its traditional exports. Since 1970,

Table I: Net resource flows to total Africa*

	Current $ billion									Per cent of total		
	1982	1983	1984	1985	1986	1987	1988	1989	1990[T]	1982	1985	1989
I. Official Development Finance (ODF)	**13.7**	**13.4**	**16.5**	**16.7**	**19.3**	**22.1**	**25.3**	**23.6**	**28.0**	**59.1**	**77.3**	**79.7**
Official Development Assistance (ODA)	12.0	11.4	12.9	14.4	16.2	18.4	20.0	20.7		51.7	66.7	69.9
of which: Bilateral disbursements	9.1	8.4	9.7	10.6	11.9	13.6	14.7	14.8		39.2	49.1	50.0
Multilateral disbursements	2.9	3.0	3.2	3.8	4.3	4.8	5.3	5.9		12.5	17.6	19.9
Other ODF	1.7	2.0	3.6	2.3	3.1	3.7	5.3	2.9		7.3	10.6	9.8
of which: Bilateral disbursements	0.9	0.8	2.3	0.8	1.7	2.3	4.4	1.3		3.9	3.7	4.4
Multilateral disbursements	0.8	1.2	1.3	1.5	1.4	1.4	0.9	1.6		3.4	6.9	5.4
II. Total Export Credits	**3.9**	**2.2**	**0.7**	**2.1**	**x**	**0.1**	**-1.8**	**4.0**	**1.0**	**16.4**	**9.7**	**13.5**
DAC countries	3.7	2.0	0.5	1.9	-0.1	x	-1.8	4.0		15.9	8.8	13.5
of which: short term	0.4	-1.0	-0.6	1.3	0.8	2.8	0.9	2.5				
Other countries	0.1	0.2	0.2	0.2	0.1	0.1	x	x		0.4	0.9	x
III. Private Flows	**5.7**	**1.9**	**1.4**	**2.8**	**5.3**	**2.9**	**5.7**	**2.0**	**3.0**	**24.6**	**13.0**	**6.8**
Direct investment (DAC)	2.4	1.0	x	0.5	0.8	0.7	1.2	1.4		10.3	2.3	4.7
International bank lending[a]	2.6	0.1	0.5	0.8	3.3	0.9	2.3	-1.1		11.2	3.7	-3.7
Total bond lending	-0.2	x	-0.1	0.4	x	-0.1	0.2	0.1		-0.9	1.9	0.3
Other private	0.1	x	0.1	0.1	0.1	0.2	0.6	0.2		0.4	0.5	0.7
Grants by NGOs	0.8	0.8	0.9	1.0	1.1	1.2	1.4	1.4		3.4	4.6	4.7
Total Net Resource Flows	**23.2**	**17.5**	**18.6**	**21.6**	**24.6**	**25.1**	**29.2**	**29.6**	**32.0**			
memorandom items:												
Total net credit from IMF	1.6	1.6	0.7	x	-0.6	-0.5	-0.2	x	-0.6	100.0	100.0	100.0
Recorded asset transactions, net[b]	-1.1	-2.1	-1.1	-3.4	0.9	0.4	-2.4	-3.9	-4.0			
Interest and dividends paid	-13.0	-13.0	-12.0	-12.8	-12.1	-12.6	-15.2	-16.0	-16.5			
Technical cooperation expenditures	3.0	3.2	3.2	3.4	4.1	4.8	5.0	5.3				
At 1986 prices and exchange rates												
Total Net Resource Flows	28.1	21.2	23.1	26.6	24.6	21.8	23.7	24.2	23.3			
Total Official Development Finance	16.6	16.3	20.4	20.5	19.3	19.2	20.5	19.3	20.3			
Total ODA Receipts	14.5	13.8	16.0	17.7	16.2	16.0	16.2	16.9				

* Includes repayment of principal, but not payment of interest, charges and dividends
T provisional
a) Includes long and short-term transactions
b) Excludes offshore centres and, as regards transactions, changes in official reserves

Source: OECD; 1990 calculations by UNCTAD

Africa's share in the world market for non-fuel commodity exports has declined at an almost steady rate, from about 16 per cent of the world total, to under 10 per cent in 1988. Such a deterioration indicates the difficulties many African countries have found in adapting to changing international markets.

127. Both the region's terms of trade and the purchasing power of exports declined markedly during the programme period (see Table 2). While the volume index of exports increased by some 7.5 percentage points, the unit value index dropped 23.2 points. At the same time, the unit value of Africa's imports rose by nearly 13.9 percentage points during the UN-PAAERD period, against a 3.8 percentage points decrease in volume. These movements caused further deterioration in the terms of trade, which declined by a third during the programme period. The purchasing power of Africa's exports fell sharply, averaging about 54 per cent in 1986-1990, compared to 76 per cent in 1981-1985 (using 1980 as the base year).

128. The sharp decline in the terms of trade has aggravated Africa's financial situation. For many countries, terms of trade losses of 10 percentage points may represent a loss of up to 5 per cent of Gross Domestic Product (GDP). Taking 1986 alone, the Economic Commission for Africa estimates that Africa lost $19 billion in foreign exchange, mainly due to the fall in commodity prices and the depreciation of the dollar.

129. Support to African countries to diversify their commodity interests has been limited. Lending to developing countries in other regions, which has helped to expand their range of commodity exports (especially cocoa, coffee, rubber and palm oil), has often resulted in direct competition with African exporters. The fall in prices on the world market resulting from excess supplies, has, in many cases, severely eroded export incomes to African countries.

130. Instead of reducing dependency on earnings from commodity exports, developments during the UN-PAAERD period reinforced the commodity-dependent trend of the 1980s, a decade that many think of as a period of stagnation and reversal for most African countries. Most of the continent, except Mauritius and Tunisia, continued to depend on commodities for over half of its export income, and four-fifths of African countries continue to depend on commodities for over 80 per cent of their export earnings. Just two commodities still provide over half of export income in nearly three-quarters of African countries. For several countries, coffee has become increasingly important, and in several West-African countries, cotton for export earnings has become pivotal.

131. Conditions for diversification have worsened in many African countries during the past decade. Continued budget problems have often led to deterioration of the basic infrastructure, making these countries even less competitive on the world market. The long-term effects of cut-backs in education expenditure and in research and development will continue to build a negative impact for the future.

132. A major commitment of the international community in 1986 was to enhance Africa's prospects for recovery and sustainable development by taking urgently needed actions aimed at improving the functioning of commodity markets. However, international co-operation to find lasting solutions to the commodity problems of developing countries in general, and of African countries in particular, has, if anything, weakened.

133. Regarding the principal commodity exports of Africa, price stabilization measures in the international agreements on cocoa and coffee have become inoperative. For copper, negotiations on the terms for an autonomous international study group have been successfully concluded, with conditions relating to work commencement yet to be met.

134. Measures to provide "adequate compensatory financing" to African countries, as called for by UN-PAAERD, have not materialized. The scope of the IMF's Compensatory Financing Facility (CFF), was extended in August 1988, to incorporate a mechanism for contingency financing. The ability of African countries to make effective use of it has been reduced due to problems of increased conditionality and of eligibility. The old CFF was traditionally a low conditionality facility with no direct linkage to structural adjustment, while the Contingency Compensatory Financing Facility (CCFF) is to help "maintain the momentum of adjustment in the face of adverse external shocks." While the percentage of quota which can be drawn from the CCFF has been increased, relatively few of the African countries which have IMF adjustment programmes have been able to benefit from it, as lending is on standard IMF terms and the cost of borrowing is high, with an interest rate around 9 per cent.

135. During the period 1986 to 1990, African countries received a total of SDR 1 billion in financing from the CFF and CCFF. In November 1990, in response to recent developments in the Middle East, the CCFF was modified to include financing, until the end of 1991, to cover the increased cost of imports of crude oil, petroleum products and natural gas. In most circumstances, the upper limit for such financing is 82 per cent of a nation's quota.

136. The call made in the 1990 African Common Position on Commodities for a new global financing scheme to compensate for shortfalls in export earnings, which would improve on existing arrangements, such as the EC's STABEX and SYSMIN schemes, has not met with an adequate response from donors.

137. The agreement establishing the Common Fund for Commodities entered into force in June 1989, and efforts have concentrated on making the Second Account operational. This may provide some finance for commodity development in Africa. The ratification process has, however, been slow and the resources available are largely inadequate. Meanwhile, long-term shifts in demand for commodities are brought about by different technological needs and substitution of new synthetic materials for traditional exports.

138. Market access conditions for African exports have not significantly changed during the UN-PAAERD period. Non-tariff measures and related mechanisms continue to be significant barriers to access by African countries to the markets of the industrialized nations. With a few exceptions, non-tariff measures against exports from African countries increased. A feature of many of these barriers is that they are tied to the degree

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Table II: Africa's terms of trade

(1980 = 100, averages)

	1981-85	1986-90
Exports		
Value	68.1	55.6
Unit value	89.8	66.6
Quantum	75.9	83.4
Imports		
Value	92.3	82.4
Unit value	89.9	103.8
Quantum	83.1	79.3
Terms of trade	97.7	64.1
Purchasing power of exports	75.7	53.7

Source: UNCTAD Secretariat

of processing. The greater the degree of processing, the higher the barrier. Imports of agricultural products are often affected by a wide range of non-tariff barriers, such as quotas, voluntary export restraints (VERs), variable levies, minimum price systems, countervailing taxes and duties, technical (especially phyto-sanitary) regulations, and bureaucratic delays and uncertainties. Such measures directed, inter alia, at vegetables, fruit, coffee, oils, cocoa, tobacco, leather, cotton, sisal and phosphates, discourage local processing in favour of exporting raw materials. These products are among the most important non-oil exports of Africa and the removal of escalating non-tariff measures on processed goods could enhance Africa's prospects of increasing value added from exports.

139. African countries enjoy preferential treatment from the European Economic Community under the Lome Convention, the Maghreb and Mashreg Co-operation Agreements and others. However, for a number of reasons, these preferential arrangements have not resulted in marked increases in African exports. In the Organization for Economic Co-operation and Development (OECD) countries demand for African products has been limited. Agricultural protectionism and subsidies in industrialized countries have limited market access and reduced world market prices. The lack of necessary inputs has impeded expansion in the supply of products for export. Finally, in some potentially significant areas, African exports have remained insufficiently competitive.

140. The period 1986-1990 saw two main developments regarding market access conditions for African exports, namely the renegotiation of the Lome Convention (Lome IV) and the ongoing Uruguay Round of multilateral trade negotiations, under the auspices of GATT.

141. Lome IV has a validity of 10 years, expiring on 1st March, 2000. The market access conditions are broadly similar to earlier conventions, but include new concessions on agricultural products. It must be pointed out, however, that African (mainly sub-Saharan), Caribbean and Pacific (ACP) countries now have a lower share of the European Community (EC) market than when the first Lome Convention was signed in 1975. This is mainly due to the fact that ACP exports to the EC are overwhelmingly basic commodities, and access and preference issues pale in comparison to the problem of price stability. In 1986, oil, coffee and cocoa alone accounted for around 50 per cent of exports by value and, together with wood, sugar, aluminum and iron ore, accounted for around 80 per cent of ACP exports.

142. Studies of ACP exports to the EC show that the Lome Convention has had marginal effect overall but there has been relatively rapid growth for some items enjoying preferential access (beef, bananas, tobacco, spices, beverages, fruit and vegetables). ACP access to the EC is, however, not unrestricted and there are problem areas. First, around 4 per cent of sub-Saharan African exports, mainly agricultural, face serious barriers in the EC. Secondly, import rules of origin relating to preferential access are cumbersome, restricting those sub-Saharan countries that aspire to the more intensive processing applications that generate higher product value. The 50 per cent minimum "import content" rule (sometimes 40 per cent) requires the reciprocal importation of goods used to produce finished products, making it a difficult rule to meet for countries with limited industry and packaging capacity.

143. The Uruguay Round of multilateral trade negotiations which commenced in 1986 and was originally scheduled to be completed in December 1990, offers prospects for improved market access for African exports on a global basis. However, there is also danger of a negative impact due to the erosion of preferences. Analysis of preliminary offers of tariff concessions in tropical products reveals that African countries are likely to suffer a loss of market share in some of the major markets, particularly the EC market, from the erosion of preferences which African countries enjoy under the Generalized System of Preferences (GSP) as well as the special EC-ACP arrangements. Preference may be essential to successfully compete with the economically superior Latin American or Asian suppliers. In the case of agricultural products, it is too early to say what the outcome of current negotiations will be in GATT, but some simulation analyses tend to suggest that liberalization of temperate zone agricultural products would lead to substantially higher prices for basic foodstuffs. Since Africa is a food deficit region highly dependent on imports, higher prices may exacerbate the food security situation of the region. With regard to natural resource-based products, it is not clear at this juncture what the outcome will be on market access opportunities for African countries. Preliminary analysis suggests that again, because of the erosion of preferences, it is likely that in this category of products, Africa will experience an overall loss in market share.

144. Because of the concern over Africa's commodity problems, the Secretary-General established an Expert Group to examine the issue. The recommendations of the Expert Group and the African Common Position on the Group's report were considered by the 45th session of the General Assembly. They, in turn, passed a resolution calling on the Secretary-General to include in the final review of UN-PAAERD, a study on how the international community can support Africa's efforts at diversification and how this can be implemented at national, sub-regional and regional levels. This study is included in the Annex and contains the following main proposals:

1.African countries, governments in partnership with their local private sector, should elaborate on commodity-sector strategies which would include: the revitalization of competitiveness for traditional export commodities in which they have a comparative advantage; diversification programmes based on assessments of natural resource bases; labour and other essential input and infrastructural conditions. These strategies should be developed on the basis of country and commodity specific studies, with the assistance of the international community, particularly the concerned group of donors and international institutions financing economic programmes. They should also take into account regional and world market prospects for primary and processed commodities and existing suppliers and buyers and linkages between them.

2. African governments should include their diversification programmes as an important element in their negotiations with bilateral donors and international, regional and sub-regional financial institutions; donors and financial institutions should commit themselves to adapting their lending to support these programmes. The review of these programmes and their implementation should be a regular feature of aid-coordination mechanisms such as UNDP Roundtables and World Bank Consultative Groups.

3. A priority for Africa is to increase intra-regional trade in food products, in both primary and processed forms, as a means of increasing diversification in food and production in countries which have a comparative advantage and to increases regional food self-sufficiency. To this end the creation of sub-regional and regional markets requires commitment to:

(i) establishing or improving trade information networks on sub-regional and regional demand and supply of foodstuffs and increasing buyer/seller direct contacts through regular meetings covering limited number of products at a time;

(ii) eliminate tariff and non-tariff barriers within economic groupings;

(iii) introduce uniform quality standards and specifications and harmonize customs control procedures;

(iv) improve payment facilities;

(v) rationalize air, land and water transport systems.

These actions require technical and financial support from the international community, particularly bilateral donors and international agencies with competence in the various areas.

4.Regular exchanges of information and co-ordination through regional and sub-regional forums should be established to promote regional co-operation in the context of diversification programmes in areas such as joint projects, joint provision of support services and joint marketing for specific outputs, especially non-traditional and processed commodities in third markets.

5.The international community should take action to strengthen producer/consumer co-operation on commodities of particular importance to Africa, with a view to increasing their export earnings from commodities and thereby provide domestic resources for diversification efforts.

6.The international community should ensure that diversification efforts are not hampered by trade barriers of any sort. A mechanism should be established by a UN African development monitoring group to investigate any problems that arise in this area.

7.The development of specific infrastructural and support services for diversification projects should be accorded priority by African governments and the international community. These include:

(i) physical infrastructure facilities (transport, storage, communication, water and power supply);

(ii) institutional infrastructure facilities (extension services, repair and maintenance services, quality control and licensing mechanisms, information networks, banking structures, research and development institutes for production methods, new products and technologies;

(iii) human resources development (training for production and marketing; private sector participation in public and private commodity meetings, regional commodity associations).

These services can be provided by the private sector, the government or a combination of the two. Assistance in the setting up of the various areas is available from a wide range of sources including bilateral programmes and UN agencies.

8.Particular attention should be paid to the development of information networks and marketing-related services, through government sponsorship with technical assistance from the international community. These should include improving the access of the African private sector to information, through coordination of existing information systems, assistance in setting up domestic dissemination systems, increased training on the use of information, and providing for increased private sector involvement in commodity discussions. The UN agencies most concerned in this area are: FAO, UNCTAD, GATT, ITC, and UNIDO.

9. In order to assist governments in their elaboration and implementation of diversification programmes, there should be increased exchanges of experiences among governments within and outside the region on policy frameworks for these programmes, on effective ways of stimulating the provision of support services and on the prospects for individual commodities. Bilateral donors and international institutions should support such efforts under their technical assistance programmes.

10. International technical and financial assistance for pre-investment activities to develop viable diversification

projects attractive to foreign investors should be increased, particularly in the areas of resource assessment, assessment of new production possibilities, pre-feasibility and feasibility studies, project formulation and mobilizing assistance from the foreign private sector. Both multilateral and bilateral institutions providing technical assistance funding for pre-investment activities, particularly pre-feasibility and feasibility studies, should follow this up by assisting African countries to attract foreign investors to viable projects, should assist in the negotiation of contracts for investment and marketing and should monitor projects through to actual start-up.

11. African governments and international, regional and sub-regional financial institutions should increase their efforts to provide access by local private entrepreneurs to external concessional and non-concessional sources of finance. This can be accomplished through, among others, lines of credit, venture capital and mutual funds, in order to increase their ability to invest in viable diversification projects.

12. An African Diversification Fund should be urgently established to provide a focal point to galvanize technical assistance and to provide finance for the development and implementation of diversification efforts. Resources should be provided from direct and voluntary contributions, commodity consumption taxes and borrowings on the international financial markets. An immediate study should be undertaken to ascertain the operating modalities, funding arrangements and management of the Fund, with the results presented to the UN African monitoring group during 1992.

4. Economic Recovery and the Debt Constraints

145. African countries continue to be severely affected by the debt crisis, with the burden of that debt being one of the most important factors constraining recovery and development on the continent. Unless urgent action is taken to provide a durable solution to the problem, an already unmanageable situation will further worsen. Despite the implementation of several international initiatives on debt, the situation has so far not significantly improved. This calls for new thinking on the solution to African debt and a redoubling of efforts on the part of all concerned - the international community and the Africans themselves.

146. Africa's external debt rose sharply during the UN-PAAERD period from $212.2 billion in 1986 to $271.9 billion in 1990. Sub-Saharan Africa's debt rose from $103.6 billion in 1986 to $142.7 billion in 1989 and is estimated to have increased to $147.9 billion in 1990. While much of this increase resulted from shifts in exchange rates against the Dollar, the trend also highlights the limited impact that the current debt relief strategies have had.

147. The ratio of Africa's outstanding external debt to GDP rose from 68.1 per cent in 1986 to 90.9 per cent in 1990. For sub-Saharan Africa, this ratio went up from 74.2 per cent in 1986 to 112.9 per cent in 1990. The ratio of Africa's external debt stock to exports of goods and services decreased from 343.4 per cent in 1986, to 300.4 per cent in 1990. This fall largely reflects a faster rate of increase in export earnings, as well as a slower rate of debt accumulation in 1990. However, for sub-Saharan Africa, the ratio of debt to exports increased from 324.6 per cent to 334.6 per cent over the same period.

148. While the share of variable interest rate debt is gradually declining and the proportion of concessional debt has increased significantly, Africa's debt structure and debt service payments have become concentrated and more inflexible, being tied to a rise in the share of multilateral financial institutions, most notably the World Bank and the IMF. Currently, multilateral debt accounts for 21 per cent of Africa's total debt, compared to 41 per cent of official bilateral debt and 38 per cent of private debt. The share of the medium- and long-term multilateral debt increased in sub-Saharan Africa from 18.8 per cent in 1980 to 26.6 per cent in 1990.

149. According to World Bank figures, on its medium to long-term debt, sub-Saharan Africa's actual payments to the multilateral agencies, which receive preferred treatment, were projected to account for 29 per cent of service payments in 1990, compared to 30 per cent for payments on official bilateral debt and 29 per cent on private guaranteed debt. Private non-guaranteed debt accounted for another 12 per cent. The predominance and importance of multilateral debt is further revealed by the fact that with the exception of four countries, these debts were fully serviced in 1989. The amount paid as a percentage of the amount due was 86 per cent. By contrast, bilateral creditors received 21 per cent while private creditors received 29 per cent of what was due.

150. Africa's bilateral and multilateral creditors and the international community at large took various initiatives to lighten the debt burden of African countries, particularly the low-income countries. The following sections review and evaluate these initiatives.

(a) Bilateral Debt

(i) Debt Forgiveness

151. During 1987-1989, the total debt forgiven or converted for 32 low-income countries in Africa amounted to $1.6 billion. During the same period, the amount forgiven for 12 middle-income Sub-Saharan countries was $206 million. According to the latest estimates by the World Bank, between 1978 and 1990, donors cancelled some $7.8 billion of ODA debt owed by Special Programme of Assistance-eligible countries.

152. Virtually all of the debt forgiven was concessional, arising from earlier ODA activities. Because of this fact, scheduled debt service payments of these countries in 1990 were lowered by less than $100 million.

153. These actions, modest as they are, represent a growing consensus among the official bilateral community that it is essential not only to reschedule but also to reduce the stock of debt. Recent actions announced by creditor countries will hopefully result in further cancellation of ODA debts owed by low-income countries in Africa for a total amount estimated at $6 billion. These countries include: France, which has announced that it will cancel concessional debt estimated at $2.4

billion owed by 35 of the poorest African countries; the United States, which has announced a similar measure for $1.4 billion of concessional debt owed by 22 African countries pursuing IMF or World Bank adjustment programmes; and Italy, which in April 1990, announced that it would cancel about $1 billion of the ODA debt owed by the most indebted low-income countries, most of which are African.

(ii) Non-concessional official debt

154. Since 1985, the Paris Club has eased the terms on which official bilateral debt is rescheduled for the severely indebted low-income countries. The most recent terms, following the agreement reached by the Group of Seven (G7) at their Toronto Summit in June 1988, consist of options to be chosen by creditor countries which include partial write-offs, longer repayment periods and concessional interest rates. This represented an improvement on previous arrangements which suffered from the lack of a medium-term perspective, rescheduling terms adapted to the debtors' capacity to pay; and the limited duration of each rescheduling period, which results in repeated and time-consuming negotiations between creditors and debtors.

155. The Toronto agreement marked a major advance in the debt strategy, in that for the first time creditor governments recognized the need for concessional debt relief with regard to non-concessional official debt. So far, of the 19 countries which have benefitted from the Toronto measures, 17 are from Africa. However, the scale of relief they have provided has been extremely limited. For the 15 countries benefitting from the Toronto terms in 1989, the savings on interest payments in that year were only $50 million, equal to less than 2 per cent of the debt service payments of these countries. Even then, several of them will have to make payments at least three times higher than those they have been able to make in recent years. The small impact of the Toronto scheme reflects its low concessionality: for the 15 beneficiaries, the overall grant element was, on average, about 20 per cent. This is well below the average grant element of over 50 per cent of 1988 loan commitments from official sources to sub-Saharan African countries in 1989.

156. Paris Club practices may exacerbate the long-term debt problem by increasing the stock of debt through capitalization of interest arrears. It is estimated that about 40 per cent of the long-term non-concessional debt owed by the debt-distressed countries to the Paris Club at the end of 1988 represented interest capitalized through rescheduling. Considerable concern has also been voiced because eligibility for relief has been linked to the recipient's adherence to IMF/World Bank Structural Adjustment Programmes (SAPs).

157. Finally, some creditors have financed the cost of debt relief by transferring funds from their aid budgets, thus reducing the benefits resulting from the Toronto measures.

(iii) Recent Debt Initiatives

Low-Income Countries

158. Because of the growing perception of the insufficiency of the Toronto terms, a number of creditor countries and institutions have recently put forward proposals involving greater debt reduction for the low-income countries.

159. The World Bank, in its *World Debt Tables* 1990-1991, recommended that creditors should opt for either cancelling one-third of the principal payments or reducing the interest rate by one-third, rather than opting for the extension of maturities.

160. Much bolder initiatives have also been proposed. At the Second United Nations Conference on the Least Developed Countries, (LDCs) held in Paris in September 1990, the Dutch Government called for the cancellation of all official bilateral debt owed by least developed and other low-income countries facing severe debt problems and implementing sound economic policies in the context of IMF programmes.

161. Another proposal was made in September 1990, by the UK, at the Commonwealth Finance Ministers' meeting, held in Trinidad. The proposal would modify the Toronto terms of rescheduling by Paris Club creditors in four ways: (i) the total stock of debt should be dealt with as a single long-term operation; the Paris Club should not just reschedule one year's worth of maturities at a time; (ii) the amount written off should be increased to two-thirds instead of one-third; (iii) interest payments occurring in the first five years should be capitalized and paid in a phased manner with an increasing total payment of principal and interest as the export capacity of the debtor country's economy grows; and, (vi) the repayment period should be lengthened from 14 to 24 years.

162. The UN Secretary-General's personal representative on debt proposed the cancellation of 90 per cent of the bilateral debt service of poor countries and the conversion of the remainder to highly concessional long-term loans.

Middle Income Countries

163. Little debt relief has been given to Africa's middle-income countries, although many of them face serious financial difficulties. This issue is now being given the attention it deserves. Following the recommendations made at the 1990 Houston Summit, the Paris Club adopted in September 1990 a new package of measures in favour of the heavily indebted, lower middle-income countries, with high levels of official debt. So far, Morocco and Congo have benefitted from those measures, which include the extension of rescheduling maturities to 15 years (with a grace period of up to 8 years) for ODA loans. In addition, the new treatment allows limited amounts of debt-equity swaps and other debt conversions such as debt-for-[illegible]are and debt-for-aid by creditor countries on a voluntary basis. In June 1990, France also announced measures to lower interest rates on its non-concessional loans to four middle-income African countries.

164. On the whole, the indebtedness of Africa's middle-income countries remains largely unaddressed. The World Bank has now urged Paris Club creditors to consider extending Toronto or similar options to highly indebted middle-income countries. The Secretary-General's representative on debt also proposed that the middle-income countries of Mediterranean Africa (Algeria, Egypt, Morocco and Tunisia), which had a combined debt of more than $100 billion in 1989, be recognized as a category distinct from the other middle-income countries. On this basis, he suggested, Toronto-type debt relief should be

extended to them, as well as more concessional development financing.

African Initiatives

165. The severity of the debt situation led the African Heads of State and Government to hold an Extraordinary Summit in 1987 devoted to the continent's external debt crisis. At this time they adopted a Declaration outlining comprehensive proposals to deal with the debt situation, including one calling for the holding of an international conference on Africa's external debt. The idea of a debt conference has not been supported by Africa's partners.

166. The African Development Bank, on its part, suggested a debt refinancing proposal in 1988 which called for the conversion of Africa's outstanding stock of debt, excluding concessional and multilateral debt, into a long-term security of at least 20 years' maturity, with a fixed interest rate set below the prevailing market levels. A redemption fund, into which annual payments would be made, would also be established, so as to redeem the outstanding stock of debt in full at the maturity of the security. In spite of the interest generated by the proposal, it has so far not been implemented.

(iv)Private Debt

167. Private creditors, except in Nigeria, have played a minor role in the external financing of Africa. Their relative contribution has further declined in the past decade. The outstanding long-term debt owed to private creditors by all Africa was US$59.4 billion and $30.6 billion for sub-Saharan Africa in 1989, 26 and 22 per cent of the total long-term debt respectfully. Scheduled long-term debt service payments for sub-Saharan Africa amounted to US$9.3 billion, or US$4.3 billion, excluding Nigeria (one-third of the total due); but the actual payments were only US$3.4 billion (US$1.9 billion, excluding Nigeria).

168. The Brady initiative, which has as a central element debt and debt service reduction, marked an important step in the strategy dealing with commercial bank debt. However, this initiative will concern only a small number of middle-income African countries, as commercial bank debt represents a small percentage of the total debt stock owed by African countries (10 per cent of long-term African debt at the end of 1988). At present only one African country, Morocco, has reached agreement with its commercial banks under the framework of the Brady initiative. This will allow, in the initial stage, debt rescheduling, but eventually, in a second stage, some debt or debt service reductions.

169. Some other features of the agreements implemented to date (other than the Moroccan case) have given rise to concern. For one thing, the agreements have rendered the remaining debt more difficult to restructure. A large proportion of bank loans have been transformed into bonds, and these have been perceived as exit instruments since they generally exempt the holders from future restructuring and new money calls.

170. The implementation of the Brady initiative has suffered from the absence of internationally-set targets for the medium-term cash flow and debt profile of the country whose debt problem is being addressed. As a result, there has been a tendency for the extent of debt and debt service reduction to be shaped by the balance of negotiating strength rather than by objective needs.

171. In the case of commercial bank debt of low-income countries, the World Bank established in September 1989 a special IDA debt reduction facility, which is endowed with $100 million transferred from IBRD net income. The facility will provide grants for cash buy-backs of commercial bank debt of IDA-eligible low-income countries, over a period of three years. Up to $10 million will be available to each eligible IDA country using this facility. The majority of beneficiaries will probably be low-income African countries such as Niger and Mozambique that are presently included in the SPA. The World Bank estimated that eliminating commercial debt through cash buy-backs in the initial 22 SPA countries would require between $200 million and $300 million, depending on discounts. The financing of these buy-back operations would need additional contributions from bilateral donors.

172. Nigeria's debt to private creditors amounted to US$16.8 billion at the end of 1989. According to the World Bank, at the end of 1990, debt-servicing payments, after rescheduling of promissory notes and agreements with commercial banks and the Paris Club, would have accounted for 43 per cent of Nigeria's exports of goods and services estimated for 1991.

(b)Multilateral Debt

173. The service on multilateral debt, which represents almost a quarter of Africa's debt, has become so large that net financial transfers from multilateral institutions have substantially declined, and a number of debtor countries are in arrears on their multilateral debt payments. During the period 1986-1989, African countries transferred back to the IMF about $600 million, on average, each year. By the end of 1989, 11 and eight African countries were over six months in arrears to the IMF and the World Bank respectively.

174. Multilateral financial institutions have taken some measures to alleviate the servicing burden and thus helped to avoid arrears on multilateral debt. For instance, in 1988, the World Bank decided to put aside 10 per cent of repayments to IDA to help IDA-eligible countries pay their interest on debt owed to the IBRD (which was contracted at market rates); a number of donor countries provided additional resources for this purpose. The IMF took measures to deal with the problem of already existing arrears. The Fund has, thus, mobilized additional resources from its developed country members, through support groups, to help those debtor developing countries in arrears to the Fund which are willing to adopt corrective measures. The success of these support groups has so far been limited. Early in 1991, the IMF adopted the "rights" approach, under which a member with massive and protracted arrears could earn "rights", based on sustained performance during the period of a "rights accumulation" programme. These rights would apply toward future financing, up to the equivalent of arrears outstanding at the time the programme was applied, and would be monitored by the IMF. Zambia is the first African country to benefit from this new approach.

175. Further measures will, however, need to be taken to deal with multilateral debt, if a dire situation is not to worsen further. Such measures should enable African countries not only to refinance their multilateral debt, but also to significantly reduce the stock and servicing of this debt.

Improving the Quality and Modality of External Assistance and Co-operation

176. UN-PAAERD called for "improving the quality and modality of external assistance and co-operation" by increasing the concessionality of development assistance; making it more effective and responsive to the needs and priorities of African countries; evolving more efficient co-ordination methods; giving special consideration to indigenous competence and expertise, local techniques and equipment, and training of national personnel; improving the disbursement of funds; and meeting recurrent local costs.

177. As technical assistance constitutes about 25 per cent of ODA, which itself has been stagnating, it is vital that urgent and serious efforts should be made by all concerned to ensure that the $4 to $5 billion dollars expended annually on technical assistance are destined to support the priorities of African countries, and are effectively utilized to achieve this objective.

178. A number of initiatives were introduced or strengthened during the UN-PAAERD period in an effort to improve on the effectiveness of external assistance. These included UNDP's National Technical Co-operation Assessments and Programmes (NaTCAPs) and Round Table (RT) meetings; the World Bank's Consultative Group (CG) meetings and Special Programme for Assistance (SPA). Several other multilateral and bilateral initiatives aimed at building capacity and strengthening national institutions were introduced.

179. In spite of these initiatives, the concern over the effectiveness of external assistance still remains, with the conditionality of assistance continuing to be a major problem. Increasing policy-related forms of aid to Africa by the countries of the Development Assistance Committee of the Organization for Economic Co-operation and Development present some problems. This aid, often in the form of specialized technical assistance to enhance the capacity of African countries in preparing and implementing Structural Adjustment Programmes (SAPS), and often tied to the adoption of Fund/ Bank SAPs (a trend discernable in the scope of lending by these institutions themselves), is seen by African countries as a reduction of their policy options. Additionally, some perceive them to be an imposition of particular types of programmes, the efficacy of which they increasingly question.

180. The grant element in overall total concessional aid to Africa remained constant during the UN-PAAERD period. There is also a general recognition that development assistance programmes and practices of donors have not been effectively directed to building the institutional and managerial capacities of African countries. Technical assistance was often un-coordinated and inadequately managed. The structures within governments in charge of co-ordinating and managing technical cooperation, are often weak and insufficiently staffed; technical co-operation is extremely costly, particularly the remuneration for experts; assignment of counterpart staff by recipient governments has proved difficult; and African countries complain that there has been a decrease in the quality of technical assistance due to the assignment of young, inexperienced experts as team leaders for programmes and projects.

181. These concerns have created greater awareness among recipient countries and bilateral and multilateral donors of the need to introduce measures in the future to make external assistance and co-operation more effective.

182. There is now a growing consensus that broad priorities for improving the effectiveness of technical assistance should, inter-alia, include: greater priority to long-term institutional goals over short-term project goals; reinforcement of beneficiary participation in the design and implementation of technical co-operation (tc), through exercises such as National Technical Co-operation Assessments and Programmes (NATCAPs) and national execution of TC projects; greater use of national experts and consultants as well as more effective or less costly modes of TC delivery such as volunteers, NGOs, twinning and Technical Co-operation among Developing Countries (TCDC) in place of the traditional model of expert and counterpart. Also, recognition of the need for fundamental reforms and improvement of public sector management capacities, increased consideration of TC for strengthening private sector management; more attention to women, both as beneficiaries and partners in TC activities; less reliance on individual long-term residential advisers and more emphasis on using short-term consultants and advisers who make periodic visits.

5. External Resource Requirements

183. The external resource requirements of UN-PAAERD were stated in the Programme as follows:

> "The African countries estimate that the full implementation of Africa's Priority Programme for Economic Recovery 1986-1990 would require total financial resources of $128.1 billion, of which the African countries intend to provide $82.5 billion through the mobilization of domestic resources, leaving the remaining approximately $46 billion to be met through external resources. The international community recognizes that the African countries need additional external resources. In this context, it commits itself to making every effort to provide sufficient resources to support and supplement the African development effort; it also appreciates that the realization of Africa's development efforts would be greatly eased if the flows of external resources were predictable and assured." (UN-PAAERD, Para. 16)

184. Thus, $9.1 billion of additional external financial resources was expected annually during the UN-PAAERD period, in 1986 prices and exchange rates. The Advisory Group of Experts on Financial Flows for Africa, appointed by the Secretary-General of the UN in 1988, recommended an increase in net financial flows to sub-Saharan Africa, excluding Nigeria, of $5 billion annually over and above what was expected to be

available in mid-1987. The report clearly stated that "this amount is necessary simply to restore the prospects for development and growth as of the early 1980s, which were already highly constrained in many countries of the region."

185. However, net resource flows, in real terms, hardly rose during 1986-1990, let alone increasing to the level of required additional funding. Thus, both the targets of UN-PAAERD and the Advisory Group's report, modest as they are, remained unfulfilled.

186. If account is taken of the impact of the sharp fall in commodity prices, the persistent decline in export earnings and the unfavourable terms of trade, the extent of the external resource famine of African countries during the UN-PAAERD period becomes more dramatic. The recent crisis in the Gulf and its lingering economic repercussions, which have already produced a negative impact on the balance of payments of African countries, will increase their financial requirements substantially.

187. In its Long-Term Perspective Study, "Sub-Saharan Africa: from Crisis to Sustainable Growth", the World Bank argued that if the critical minimum needs for reversing sub-Saharan Africa's decline are to be met, ODA needs to grow at 4 per cent a year in real terms; assuming that debt-service payments are no more than $9 billion a year. In the words of the Bank: "If adequate financing for Africa is not forthcoming, Africa's decline is likely to continue in the 1990s."

188. This rate of growth of ODA was not achieved during UN-PAAERD and will require greater political commitment to the cause of African development if it is to be achieved in the 1990s. Such a commitment will also mean that genuine efforts must be made to find a lasting solution to Africa's debt and commodity problems, if the continent's external financial resource base is not to be further eroded through external debt repayments and dwindling export earnings. Improvement in the external environment, and dealing effectively with the interlinked problems of debt, resource flows and commodities will thus continue to remain as major issues influencing Africa's development prospects in the 1990s. These factors have a bearing on the initiatives taken by the Conference on Africa held in July 1990 in Maastricht, attended by senior African ministers and the representatives of external agencies, to establish a Global Coalition for Africa (GCA). The GCA initiative was endorsed by African Heads of State at the OAU meeting held in July 1990 in Addis Ababa (AHG/Res.8/[xxvi]). In that resolution, the African Heads of State called upon all of Africa's development partners to support the GCA. The GCA has been effectively launched and is currently chaired by President Masire of Botswana, with Mr. Robert McNamara as co-chair. At their summit meeting held in Abuja, Nigeria, on June 3-4, 1991, the African Heads of State and Government reaffirmed their commitment to GCA by passing a new resolution supporting the GCA and calling on Africa's development partners to take all possible action to make it a success. The CGA will facilitate a policy dialogue within the framework of a more genuine partnership between Africa and the donor community. This collaboration between Africans and their foreign partners is in no way intended to diminish the responsibility of Africans for the conduct of the affairs of the continent. On the contrary, it is recognized that Africa's foreign partners cannot offer effective assistance other than within the framework of genuinely African programmes. Programmes that are not "owned" by the intended beneficiaries, have little chance of success.

6. South-South Co-operation

189. During the programme period a number of activities were undertaken in order to promote increased participation of African countries in South-South trade. These included an UNCTAD/UNDP project on economic and technical co-operation between Africa and Latin America. This involved a series of meetings between African and Latin American shipowners and related enterprises on the issue of alleviating the transport constraints to mutual trade; between African and Latin American commercial banks to discuss the question of trade financing and investments in the two regions; between trading companies on trade expansion between Africa and Latin America through direct business negotiations, backed up by technical discussions on alternative reciprocal techniques such as counter-trade; and between chambers of commerce and central banks of the two regions on their respective roles in mutual trade expansion.

190. A second basis for Africa's increased participation in South-South trade is provided by the Global System of Trade Preferences among Developing Countries (GSTP). This multilateral agreement, designed to establish a framework for the exchange of trade concessions among members of the Group of 77 and to constitute an instrument for the promotion of trade among these developing countries, was concluded in Belgrade in April 1989. Of the 48 signatories, 16 countries were African.

191. A number of African countries benefitted from the activities of TCDC, supported by UNDP. Among the major activities were: matching of capacities and needs among developing countries both within and outside the African region; study-tours and short-term training in other developing countries; and subject-specific workshops of common interest. The first of these activities is the most promising. Two such exercises have been conducted in Africa since the adoption of UN-PAAERD; one in Tanzania in December 1989, the other in Ghana in October 1990; each involving 16 countries. Fifty-three technical co-operation projects were identified in Tanzania and 51 in Ghana.

192. A number of African countries have also benefitted from participation in TCDC projects in other regions, such as the Science and Industry programming exercises held in Pakistan and the Indonesian multi-sectoral TCDC programming exercise. In addition, the UNDP Regional Bureau for Africa has financed six major regional TCDC projects promoting co-operation between African countries and Brazil and Argentina, between Tunisia and sub-Saharan Africa, and between African national and multi-national institutions. They also included a project on research into sugar production and utilization of by-products, and assistance to the South-South Partnership Promotion Centre.

C. Response of Non-Governmental Organizations

193. Non-governmental organizations (NGOs), African and international, are making a vital contribution to Africa's recovery and development through the resources they mobilize, through their unique approaches to grassroots development work, supplying and strengthening indigenous peoples' organizations and initiatives, and through their education, information and advocacy work around Africa's development needs and efforts. While precise figures are not available, it is widely accepted that financial flows from NGOs to Africa have increased substantially over the UN-PAAERD implementation period.

194. One very important development that has gathered momentum since the adoption of UN-PAAERD in 1986 has been the growing impact of the community of indigenous African NGOs and Voluntary Development Organizations (VDOs). While African NGOs are among the beneficiaries of the financial flows channelled to Africa by NGOs from the donor countries, they also contribute their own resources to the projects and programmes they implement. Indigenous African NGOs have built up considerable experience of effective people-focused development projects and programmes and their capacity in fostering popular participation and mobilization for development enables them to contribute to the formulation and implementation of development policies, particularly those oriented towards the poorest groups.

195. In 1988, international, especially Northern, NGOs committed $1.4 billion to Africa, which they had raised from private sources. NGO grants constitute $1 billion of the $1.3 billion in private flows to the least developed countries (of which 29 are in sub-Saharan Africa). In addition, NGOs channelled some US$1.5 billion to Africa from public sources. Thus, of over US$6.5 billion mobilized by NGOs from private sources and donor governments for disbursement to developing countries in 1988 some 45% went to Africa.

196. The NGO contribution to Africa's recovery and development is multifaceted: in addition to mobilizing resources for development projects and programmes in Africa, and contributing to humanitarian assistance in emergency situations, NGOs also play an influential role in donor countries, undertaking development education and advocacy work which seeks more responsive action by bilateral and multilateral donors to meet the development needs of the African people. In addition to mobilizing public opinion around issues such as ODA flows or debt reduction, NGOs are frequently the source of new insights on development policies and approaches, women in development, environmental issues, popular participation and reaching the poor, demographic issues and appropriate technologies. For example, the Advocates for African Food Security, created at the Special Session in 1986, is a broad coalition advocating and effectively promoting food security in Africa, particularly through enhancing the role of Africa's women farmers.

197. An NGO-inspired activity during the implementation of UN-PAAERD period was the joint UN-NGO conference on Popular Participation in African Recovery and Development which took place in Tanzania, in February 1990. The conference was unique and innovative in terms of UN-NGOs collaboration. It was jointly planned, sponsored, financed and executed by NGO and UN agencies and possibly the first in which UN agencies, governments and NGOs participated on an equal footing.

198. The Non-Governmental Liaison Service (NGLS), an inter-agency project under the aegis of the Joint United Nations Information Committee (JUNIC), is entrusted with the specific mandate to support NGO development education and advocacy work and to bring UN system and NGO representatives to engage in dialogue on policy issues and questions. NGLS played an essential role in facilitating the participation of NGOs in the 1986 Special Session and the 1988 Mid-term Review of UN-PAAERD, and it continues to facilitate NGO participation in the UN Steering Committee and the UN Inter-Agency Task Force. It has kept the NGO community informed of the international policy dialogue on Africa within the framework of UN-PAAERD.

D. Response of the UN System

199. Valuable contributions were made by the UN system within the framework of the implementation of UN-PAAERD. Co-operation among organizations and agencies of the UN system as regards global co-ordination, monitoring and reporting on the implementation of UN-PAAERD took place within the framework of the UN Steering Committee and its substantive arm, the UN Inter-Agency Task Force on the Implementation of UN-PAAERD at the Regional level (UN-IATF). UN-IATF proved to be a highly useful and lively forum for frank and substantive dialogue among the participating agencies on all UN-PAAERD-related matters.

200. Awareness-building activities were also effective. The Secretary-General continued efforts to increase interest within the international community on the major areas of concern of UN-PAAERD, including the establishment of an Advisory Group on Financial Flows to Africa and an Expert Group on Africa's commodity problems. The Africa Recovery unit of the Department of Public Information played a vital role in informing the media, as well as other opinion makers, of the efforts and reforms being undertaken by African countries to revive economic and social growth, and the crucial role of external resources in helping ensure success for African efforts.

201. Financial resources, programmes and projects of UN agencies in favour of Africa were substantially increased during UN-PAAERD period. Africa's share in total global assistance offered by the UN system rose from approximately 40 per cent in 1986 to 55 per cent in 1989, i.e. from $1.2 billion in 1986 to $1.6 billion in 1989. While this increase is appreciable, it cannot be concluded that UN-PAAERD was the sole cause for this positive development, or that the higher share was allocated to UN-PAAERD priority areas. Nevertheless, one evident con-

clusion is that UN-PAAERD has certainly influenced the direction and allocation of resources in favour of Africa in a number of cases. UN-PAAERD has also helped to strengthen existing mandates and, more broadly, to focus attention on the critical economic situation in Africa and the need to adopt additional initiatives. The accomplishments of UN-PAAERD in priority sectors and policy reforms was high.

202. As indicated earlier, the World Bank and IMF also substantially increased their resources and assistance to Africa. The World Bank's disbursements to Africa increased from $1.82 billion in 1986 to $2.47 billion in 1990. The shares going to Africa of IDA and Bank lending were about 50 per cent and over 8 per cent, respectively, during the period. The IMF's direct financial assistance to Africa rose from Special Drawing Rights (SDR) 1.5 billion at the end of 1986 to SDR 2.8 billion in 1990. Substantial repayment of interest and dividends depressed net transfers to Africa from the World Bank to $4.9 billion during 1986-1990, compared with net disbursements of $7.6 billion, and caused reverse flows from Africa to the IMF averaging $600 million a year during the UN-PAAERD period. Efforts have also been made by these agencies to improve the quality and modality of assistance and cooperation, support policy reforms and ease the debt constraint.

203. UN-PAAERD has generated new thinking among UN agencies which has led to major reforms affecting African development. This has been reflected in the 1988 Khartoum International Conference on the Human Dimension of Africa's Development, the Abuja International Conference on the Challenge of Economic Recovery and Accelerated Development, the Arusha International Conference on Popular Participation in Development; UNESCO/UNICEF/WORLD BANK/UNDP's World Conference on Education for All, UNICEF's "Adjustment with a Human Face" etc. These conferences, studies by ILO and other agencies and UNDP's Human Development Report have focused attention on the need for a long-term development approach which takes full account of the human dimension.

204. The World Bank's study entitled "Sub-Saharan Africa: from Crisis to Sustainable Growth - A long-term perspective study", the Social Dimension of Adjustment Project and the 1990 World Development Report, which focused on poverty, came to recognize these aspects. UN-PAAERD has aided in asserting the centrality of the human dimension in the development process and the need for adjustment to be part of long-term development. In spite of this particular consensus, views among the agencies vary on how to realize these objectives.

205. Another positive impact of UN-PAAERD has been the forging of closer links and collaboration between the UN system and NGOs. NGLS has facilitated this through its UN-NGO conferences such as "Africa: Four Years On", through its public outreach work such as the Africa Focus Project, and through its information and publication efforts such as the series "Voices from Africa". The Arusha International Conference on Popular Participation in Development was a highly successful partnership between UN agencies and the NGOs. The participation of NGOs at the meetings of the UN Steering Committee and UN Inter-Agency Task Force on UN-PAAERD reflects the close collaboration which has developed within the UN system.

206. From the point of view of organizational and institutional modalities, an extra effort has been made in response to UN-PAAERD and the attention it focused on the African economic crisis. New structures have been set up in some cases, while others have been upgraded, such as the African Investment Plan of the United Nations Development Fund for Women (UNIFEM). The number of staff dealing with Africa has been markedly increased. Governing bodies of various organizations have been monitoring the implementation of UN-PAAERD, some of them on a regular basis such as ECA, UNCTAD and UNDP.

207. These results are particularly significant when one takes into account that:

(i) The Medium-term Plan for 1984-1991 and most of the programmes of the various agencies were already in place when UN-PAAERD was adopted in 1986;

(ii) The financial resources available to the organizations are decided by contributing governments and not the organizations themselves;

(iii) Reorientation of programmes cannot easily take place as it is determined by both governing bodies and recipient governments;

(iv) UN-PAAERD is only one among several mandates for action by the organizations within and outside Africa.

208. Appreciable as this response has been and given the magnitude of efforts that need to be systematically undertaken over the years to deal with Africa's economic crisis, much needs to be done by the UN system in terms of co-ordination of approaches and operational modalities; increased mobilization of resources, which will inevitably be linked to an increased awareness of Africa's own efforts to overcome its crisis; assistance in improving the external environment and dealing effectively with the debt problem; easing conditionalities; offering assistance on more concessional terms; finding a solution to the multilateral debt; and the effective and efficient delivery of technical co-operation programmes. The emerging consensus, within the UN system, on appropriate developmental approaches in Africa needs to be translated into action.

E. INTERACTIONS BETWEEN INTERNAL AND EXTERNAL FACTORS ON THE IMPLEMENTATION OF UNPAAERD

209. The foregoing analysis of internal and external responses to UN-PAAERD shows that the disappointing performance in the implementation of the program was due to an unfortunate combination of internal and external factors. The deterioration in the terms of trade coincided with falling external financial flows. Foreign exchange losses, including capital flight, reinforced the effects of rising external debt and debt servicing obligations. Widespread adoption of economic stabilization and structural adjustment policies, with short and medium term implications, affected the UN-PAAERD objective of laying

foundations for long-term development. The weakening of African public institutions led to increased involvement of external agents in national policy formulation. Increased efforts on export commodities sometimes militated against national food security objectives.

210. The stated objective of UN-PAAERD to lay the foundation for the structural transformation of African economies was not attained. As a result of the economic crises of African countries in the mid-eighties, the managers of the economies of these countries became pre-occupied with short-term stabilization measures and SAPs. For example, the drive towards diversification became secondary in the light of the need to expand traditional export commodities to earn foreign exchange. Reforming the majority of African countries meant implementing economic stabilization and SAPs. The objectives of these programmes often overlapped with those of UN-PAAERD, but the short-term implications of their policy prescriptions often conflicted with the long-term objectives of UN-PAAERD.

211. The promotion of primary exports to earn foreign exchange also had implications for domestic food production. In order to stimulate agricultural production, the economic reform programmes advocated price deregulation, which had the potential to stimulate both food and cash crops for export. The translation of this potential into reality, however, depended upon the availability of inputs such as credit and fertilizers. However, under the reform programmes, priority in the allocation of limited resources was placed on exportable cash crops. As a result, while the region as a whole was able to increase the volume of primary exports by 6 per cent, the food self-sufficiency ratio fell from 92 per cent in 1985 to 85 per cent in 1990. Besides the impact of reform measures, this fall was the result of many factors, including: civil strife, natural calamities, and population growth.

212. Despite the relative increase in the volume of commodity exports, the total foreign exchange earnings fell because of falling international commodity prices. For example, coffee, cocoa and copper - which are major African exports - were severely depressed over much of the decade of the 1980s. Coffee prices reached a 14-year low in real terms after the collapse of the International Coffee Agreement in July 1989. Similarly, after the failure of the International Cocoa Organization in September 1989 to agree on a new price support mechanism, real cocoa prices fell to levels prevailing in 1945. At the same time, the prices of respective imports were rising. Consequently, using 1980 as the base, the purchasing power of exports fell from 75.7% in 1981-85 to 53.7% in the UN-PAAERD period. The terms of trade of most African countries fell from 97.7 in 1981-85 to 64.1 in 1986-90. Therefore, during UN-PAAERD, the capacity of African countries to earn foreign exchange became greatly reduced.

213. If the envisaged $9.1 billion of external resource flows under UN-PAAERD had materialized, it would have compensated for part of the decline in the African capacity to earn foreign exchange. As demonstrated already, the decline in export earnings was paralleled by a decline in resource flows. Due to an unfavourable investment climate in many African countries, private investment flows, even in nominal terms, declined from $6.7 billion in 1986 to only $3.5 billion in 1989. There was an increase in net official development finance from $19.3 billion in 1986 to a provisional $28 billion in 1990. However, in real terms (1986 prices), the increase was marginal, from $19.3 billion to $20.3 billion. A similar trend prevails when the official development assistance is not aggregated, with net assistance from multilateral organizations, for example in nominal terms, declining from $1.4 billion each in 1986 and 1987 to only $1 million in 1988, before recovering to $1.6 billion in 1989. In other words, the average annual real net flows from the multilateral institutions, dominated by the World Bank, the African Development Bank and the IMF, declined. The efforts made by the first two institutions in increased lending was partly counterbalanced by higher repayment flows back to the Fund.

214. African economies were not only squeezed by declining export earnings and inadequate assistance and investments, but also a tremendous amount of capital flight. Accurate estimates are hard to note, due to the clandestine nature of this capitol flight, but the circumstantial evidence of monies hidden in foreign banks runs into billions of dollars. Estimates vary markedly, but on the basis of suspected changes in private foreign assets and the prevalence of prices (comparing C.I.F. prices with those prevailing elsewhere) the level of capital flight is estimated at nearly $30 billion over the 1986-90 period. The phenomenon of capital flight has been exacerbated by political instability, civil strife, uncertainties created by frequent and almost consistent movements in currency rates through devaluations, and other economic factors, such as; inflation, returns on investments, etc.

215. Partly as a consequence of declining export earnings and inadequate external assistance, African economies were faced with an ever-increasing debt burden. The economic crises of the 1970s and 1980s, combined with domestic policies which failed to encourage domestic savings and engineered capital flight, seriously undermined the capacity of most African countries to mobilize domestic resources. This, accentuated by falling private and official financial flows, has compelled these countries to resort to external borrowing in an attempt to maintain their levels of current consumption and investment. As the crisis has persisted, many countries have found themselves heavily burdened by debt and its servicing obligations; so much so that in some cases, countries found themselves experiencing net resource outflows. The total debt of the region which stood at $203.7 billion in 1986, rose to an estimated $271.7 billion in 1990. Consequently, the debt servicing ratio for the region as a whole has averaged over 30 per cent during the UN-PAAERD period. The recent initiatives to mitigate this burden have provided only slight relief.

216. A major factor which hindered the implementation of UN-PAAERD was civil strife, inter-country conflict, instability and acts of destabilization. In some countries, including Angola, Ethiopia, Liberia, Mozambique, Somalia and Sudan, civil war and other internal problems were such that very little could be achieved in the context of UN-PAAERD. Civil strife, exacerbated by economic crises, and military conflicts (some fuelled by external geo-political interests) continued in many countries in Africa during the 1986-90 period. These caused scarce

resource to be diverted away from productive activities to purchase armaments and to cater for the burden of 12 million displaced persons and 6 million refugees. The effect on the environment was also devastating, with severe deforestation, soil erosion and problems of polluted and diminishing water supplies in areas of concentrated population. At the same time, international attention to these issues waned as world focus was taken up by other priorities.

217. Weak socio-economic and administrative structures, coupled, in many cases, with inappropriate policies, constituted a major factor which inhibited the capacity of many African countries to mobilize and utilize internal as well as external resources. National institutions were weakened by both insufficient resources and lack of motivation. In particular, inadequate remuneration, lack of recognition of professionalism, career insecurity, excessive politicizing of decision-making in economic matters, to mention a few factors, resulted in a massive brain drain. In the face of weakened national capacities, national policies became increasingly determined or influenced by external advisers. Development initiatives often reflected donors' interests; for instance in the supply of experts and materials, rather than the priority social needs of the population. In addition, the absence of a dynamic private sector and poor or insufficient political as well as administrative accountability, which continued to characterize many of the African countries, have exacerbated the weakening of socio-economic performance.

218. The cumulative nature of these internal and external factors, and the negative effects which have been illustrated above, contribute greatly to explaining the difficulties encountered in the implementation of UN-PAAERD.

IV. PERFORMANCE OF THE AFRICAN ECONOMY (1986-1990)

Economic Performance

220. Despite considerable efforts made by the African countries to enhance the efficiency of the African economies through policy reforms and Structural Adjustment Programmes, the relative improvement in weather conditions, and the initiatives of the international community, the overall performance of the African region was generally poor and unsteady during 1986-1990.

221. The real GDP of the African region grew, according to ECA, by an unsatisfactory average rate of 2.3 per cent during 1986-1990, with erratic year-to-year fluctuations. From a rate of growth of 2.6 per cent in 1986, the GDP growth rate fell to 0.7 per cent in 1987, increased to, respectively, 2.1 and 3.3 per cent in 1988 and 1989, only to fall again to 2.6 per cent in 1990. The IMF estimates the GDP growth rate in 1990 for Africa as a whole at 1.9 per cent and for sub-Saharan Africa at 1.5 per cent. Although the average rate of growth of the GDP during the UN-PAAERD period showed some improvement over the level of 1980-1985, one cannot conclude that the African economies are finally on the road to sustained recovery, or that they are about to embark on accelerated development on a sustained basis. Overall, economic conditions have remained precarious.

222. However, the overall picture conceals wide disparities in the performance of Africa's various income groups and sub-regions. GDP growth in the oil-exporting countries, which normally contribute about two-thirds of the regions total output, averaged 1.9 per cent per annum during the UNPAAERD period, as against the 2.8 per cent in the non-oil exporting countries. Annual growth rates have, however, been erratic for both groups.

223. The sharp decline in oil prices from 1986 onward and the continued weakness in oil demand had an adverse impact on overall growth in the African oil exporting countries and on government revenue. It was not until 1989 - and more recently as a result of the Gulf Crisis - that a substantial recovery took place in oil prices and production. This caused the GDP growth rate in the oil-exporting countries to rise to, respectively, 3.2 per cent and 3.7 per cent in 1989 and 1990. Before then their GDP growth rate was a mere 1.9 per cent (1986), 0.2 per cent (1987) and 0.9 per cent (1988). As a result of the impact of a favourable performance in the agricultural sector, and the recovery in non-fuel mineral prices during 1987-1989, the GDP growth rate in the non-oil exporting countries was high at 4.1 per cent (1986), 4.3 per cent (1988) and 3.4 per cent (1989). A deterioration in agricultural production, as well as in the mining sector, accounted for a poor performance in 1987 in those countries. The impact of the Gulf Crisis on oil prices and supplies affected the non-oil exporting countries adversely. The growth of GDP was particularly poor in the African Least Developed Countries in 1990, with output declining by 0.3 per cent.

224. At the sub-regional level, GDP growth rates during 1986-1990 were highest in Eastern and Southern Africa, averaging 3.2 per cent and lowest in Central Africa, 0.5 per cent. In all cases, however, growth was weak in 1990 as a result of a poor agricultural year and the oil price shock brought about by the Gulf Crisis.

225. GDP per capita continued to decline during 1986-1990 at an average rate of 0.7 per cent, with the exception of 1989, when it grew at 0.3 per cent. This means, in effect, that the average African continued to get poorer and to suffer a persistent fall in an already extremely meager standard of living virtually throughout UN-PAAERD period.

226. Gross domestic savings grew by an average of 17 per cent during 1986-1990, compared to 19 per cent during 1980-1985. Rates of growth were actually lower towards the end of the UN-PAAERD period. Likewise, gross domestic investment also grew by about 21 per cent during 1986-1990 as against 22 per cent during 1980-1985. Inflationary pressures intensified during the UN-PAAERD period. The average annual rate of inflation was 18 per cent, compared with 16 per cent during the preceding five years. The main factors that affected the acceleration in the consumer price index were the high levels of bank credit, widening budget deficits, devaluation, and the relaxation of price controls in many countries.

227. The performance of the agricultural sector continued to greatly influence the growth rates of the GDP of African countries. The share of agricultural production in GDP remained virtually constant at about 24 per cent during the UN-PAAERD period. Agricultural value added grew at an average annual rate of 3 per cent during 1986-1990, closer to the rate of population growth, compared with the much lower rate of 1.6 per cent during 1980-1985. The year-to-year growth rates were, however, highly volatile: 6.9% (1986); -1.2% (1987); 5.1% (1988); 3.6% (1989); and 1% (1990), largely reflecting weather conditions and civil strife. Harvests in 1990 were seriously reduced by drought in the Saharan countries. Poor harvests were also reported in several coastal countries, most notably Benin, Ghana, Liberia, Nigeria and Togo.

228. The food supply situation in the continent has been less than satisfactory and overall food deficit figures have either remained significant or increased during UN-PAAERD period. Food aid needs of the 45 countries of sub-Saharan Africa increased by more than 45 per cent in 1987/1988, from the level of the previous year and 1989 cereal import requirements rose further, by 3.8 per cent. Furthermore, considerable logistical difficulties and political strife inhibited the effective movement of grains from surplus to deficit areas. Overall, agricultural recovery is yet to free the African continent from the scourge of food-dependence, hunger and famine. Food aid requirements averaged about 4 million tons throughout the UN-PAAERD period. According to the Food and Agriculture Organization, currently 30 million people are affected by food shortages or threatened with starvation in Africa. Some 5.7 million tons of food aid are urgently required in 1991, against pledges of 3.4 million tons received so far for Africa. The threat of famine is

most seven: in Angola, Ethiopia, Sudan, Mozambique, Somalia and Liberia and the food emergency situation is serious in another 10 countries, namely: Uganda, Sierra Leone, Mauritania, Malawi, Madagascar, Guinea, Ghana, Cote d'-Ivoire, Chad and Burkina Faso.

229. Value added in industry picked up somewhat during the UN-PAAERD period, averaging 2.7 per cent for manufacturing and 2.3 per cent for mining respectively. Other sectors - such as construction, public administration and services - registered less than satisfactory rates of growth. The energy and water sector grew by 5.1 per cent during the period.

230. The external position of African countries remained precarious during 1986-1990. Even though the region's export performance, in quantum terms, improved somewhat in the Programme period, the continued low prices received for most of its non-oil commodity exports meant that there was virtually no change in the overall balance-of payments position. The average annual trade balance of a modest $0.6 billion in 1982-1985 was turned into deficits averaging $3.7 billion per annum in 1986-1988. An improvement in services exports and a modest increase in private transfers, however, enabled the region's balance-of-payments deficit to remain at virtually the same level in 1986-1988 as in 1982-1985. In effect, the external account showed no improvement at the regional level during the Programme period. According to the International Monetary Fund's World Economic Outlook of May 1991, the region's current account situation was -$5.1 billion in 1987, -$10.6 billion in 1988 and -$8 billion in 1989, and -$4 billion in 1990.

The Social Situation

231. Overall, human conditions worsened considerably during the UN-PAAERD period. The performance of the social and human development indicators in 1986-90 has been generally poor. Declines have been registered in education, health, nutrition, employment and incomes. The percentage of total government expenditure devoted to health in 1985 was nearly 6 per cent, and to education 15 per cent. By 1990, the share of health and education in total government expenditure had declined to 5 and 11 per cent respectively.

232. Gross enrolment ratios at the primary level slid from a high of 77 per cent in 1980 to 72 per cent in 1987 and even more drastically for girls. By 1990, they had dropped further to 70 per cent of the relevant age group. Primary school survival rates also worsened in the period 1986-89. Of the pupils who enrolled in the first year in 1986, 20 per cent dropped out by the second year, a further 10 per cent by the third year and 5 per cent in the fourth year. Only 65 per cent of the children who enrolled in 1986 were still in school by 1989. This is a serious trend in view of the fact that the expansion of primary and basic education has always been an important strategy employed by African governments, since independence, to eradicate illiteracy. The literacy figures themselves show a rather disturbing trend. Although illiteracy rates were brought down from 59.1 per cent in 1985 to 52.7 per cent in 1990, the absolute number of illiterate people increased from 133.6 million to 138.8 million adults during the same period - the first time such increases have been recorded since 1960. In particular, female illiteracy rates are extremely high, 66 per cent as compared to 46 per cent for males.

233. The severe resource cuts to the education sector, as well as the adjustment policies of cost-recovery and containment, were largely responsible for these declines. There was also a sharp fall in the quality of education due to the widespread shortages of teaching and learning resources, a demoralized and under-motivated teaching staff and an overall deterioration of the learning environment.

234. Higher education also suffered from this resource scarcity, resulting in considerable decline in its quality. Stagnated enrolment rates in the mid-1980s gave way to a precipitous decline in enrolment from 1987 onwards.

235. Public expenditure cuts, compounded by natural disasters in some parts of Africa, have negatively affected the nutritional situation of Africans. By 1989, there were 150 million severely undernourished people in Africa - 70 million more than there were in the mid-1970s - and 40 per cent of Africa's pre-school children were suffering from acute protein energy deficiency - up from 25 per cent in 1985.

236. Apart from drought and desertification, other causes of malnutrition in Africa included the removal of food and agricultural subsidies at a time when household incomes were declining, as well as civil strife in many parts of the continent.

237. In 1990, an estimated 26.6 per cent of Africa's children were underweight, 53.3 per cent were stunted and 10.2 per cent were wasting. The daily per capita calorie intake was 96 per cent of requirements before 1986. By 1989 it had dropped to 92 per cent. Despite severe obstacles, grassroots efforts, especially by women farmers, have been successful in improving food production, thus alleviating to some extent the effects of the food crisis.

238. Maternal and child health as well as primary health care programmes have also been severely affected by the resource crunch. Diseases which were thought to be eradicated or controlled have reappeared in Africa. Among these were malaria, trypanosomiasis and schistosomiasis. Illnesses caused by poor nutrition and unhealthy environments are also taking their toll: tuberculosis, bronchitis, scabies, yaws etc. The under-5 mortality rate in 1985/86 was 182 per 1000. By 1989/90, it remained at 182, which was the highest rate in the world. Despite the intensified efforts of agencies such as UNICEF to protect the continent's children, the under five mortality reduction rates achieved in the early 1980s - 1.55 per cent per annum between 1980 and 1985 - sadly, could not be improved upon during 1986-1990.

239. In spite of serious economic setbacks, some remarkable progress specifically in child health, has been possible by focusing on low-cost health interventions to tackle major causes of child mortality. In 1986, African Ministers of Health agreed on a 75% target for immunization coverage by 1990 against polio, measles, whooping cough, tetanus, diphtheria and BCG. By 1990, 22 countries in Africa had achieved this target and the number of children dying from measles, for example, has drastically fallen. Likewise, deaths from dehydration caused by diarrhea were considerably reduced by the education of mothers

in the implementation of oral rehydration therapy.

240. Maternal mortality is high, ranging from 110 to 1,000 or more deaths per 100,000 live births. This high rate is due in part to very early childbearing, as well as to repeated and closely spaced births and the incidence of pregnancies among older women. UNFPA, in collaboration with other United Nations organizations and international development assistance agencies, has embarked on a major Safe Motherhood Initiative to assist governments in addressing the critical issue of maternal mortality.

241. The Human Immunodeficiency Virus (HIV), which causes AIDS, is posing a very serious threat to the development of human resources in Africa. WHO has estimated that by early 1991 about 6 million persons were infected with HIV in the region (more than half the global total). About 3 million women are now infected, and, the incidence of HIV infection appears to be increasing. Moreover, as of early 1990, about 900,000 HIV-infected infants have been born in sub-Saharan Africa and during the 1990s, several million more may be expected. There are also a an increasing number of "AIDS orphans", left without family or community support after parents and relatives have died of the disease. AIDS is attacking the economically active age groups, mainly in cities and towns, but also among some rural populations. The World Bank, along with UNDP, is collaborating with WHO in studies on the economic and demographic impact of AIDS and its implications for health care costs, while other United Nations organizations, such as UNESCO, UNICEF and UNFPA, are collaborating with WHO on the preventive aspects of AIDS. Although research into producing a vaccine is advancing, the prospects for an effective and widely available vaccine against HIV infection and AIDS still remain distant.

242. On the average, real wages declined by over 30 per cent in the 1980s, in some countries the decline being as steep as 75-80 per cent. This was partly due to structural adjustment policy measures aimed at reducing the government wage bill and correcting perceived rural-urban distortions. A World Bank/UNDP study confirmed that the level of government real wages declined by more than half in the decade of the 1980s. Wage employment also suffered, with open unemployment growing at an average of 10 per cent per annum between 1986 and 1990. By the latter year ,open unemployment affected over 30 million Africans and severe underemployment, a further 90 million people - 30 million more than in 1985.

243. The stagnation in formal sector employment, combined with continuing rural-urban migration, resulted in a massive growth in informal sector employment. In effect, the African economies became more and more "informalized". Under conditions of declining effective demand, the growth of the informal sector quite likely signified increasing underemployment. Urban wage earners also resorted to subsistence farming as part of their survival strategies. In this way, the carefully nurtured specialization between formal and informal sectors and urban and rural areas, broke down.

244. The outcome of the above trends was increasing poverty - especially in the urban areas. By some estimates poverty affected as much as one-half of the African populations in 1990.

245. One disturbing reaction to the above chain of events was an intensification of the brain drain. Middle and high level management, whom Africa needs for its recovery and development, prefer to seek a more conducive and renumerative working environment outside the continent. Between 1985 and 1990, an estimated 50-60,000 such highly qualified Africans left the continent. Their flight affected the functioning of institutions of higher learning, industry and state-owned enterprises. In some countries, the drain was so severe that governments took steps to investigate its causes and search for solutions.

246. Despite the disappointing economic performance of Africa in the 1980s, the record is not without significant points of progress and areas that beckon encouragement for the 1990s. A new, tough-minded realism and emphasis on efficiency has entered economic policy-making in a majority of countries, both in the macro-areas of adjustment and in many areas of sectoral policy and implementation. There have been noticeable shifts of attitude towards greater self-reliance, both at national level and at local community levels, with the renewed political commitment to regional integration perhaps being a further example. Despite the cutbacks in government expenditure, a number of countries show impressive grassroots initiatives in informal sector production. Local level, rural, and urban health actions and a burgeoning range of other community actions and initiatives have sprung into existence. These positive points are not nearly enough to offset the overall 20 per cent decline in national income in sub-Saharan Africa, however, they are the waypoints to progress.

V. A NEW COMPACT FOR AFRICAN DEVELOPMENT IN THE 1990s

A Focused and Specific Compact

246. The political and human solidarity with Africa, to which the General Assembly gave expression in 1986, continues to exist. This historic "compact" must be maintained and revitalized through the 1990s. This time, the compact needs to be more explicit in the "context" of specific sets of actions by Africa, the international community, including Africa's increasing number of active development partners, and the UN system.

247. There is no need to renegotiate the overall objective of laying the foundation in Africa for sustained and sustainable development. Africa's current economic situation now calls for the prioritizing of targets and measures within an action programme which focuses on the essential elements that are critical for sustained development in the 1990s. Such an agenda should be active and goal-oriented, rigorously implemented and subject to continuous monitoring between African governments and their partners in development.

248. In their review of UNPAAERD, the Conference of Ministers of the Economic Commission for Africa called for a new agenda of co-operation between Africa and the international community that would "focus on the set of problems, without the solution of which, Africa cannot be expected to progress and prosper, and which would underwrite our continent's efforts and development orientation."

The Elements of a Global Compact

249. A global compact for the 1990s must be specific, operational and clearly focused on the goals to be achieved . Three essential aims of this compact, to be accomplished throughout the continent are:

- transformation and diversification of the African economies with improved management and greater efficiency which would: strengthen them within the world economy, reduce their vulnerability to external shocks, increase their dynamism, internalize the process of development, and enhance self-reliance.

- sustained and sustainable economic development, including an acceleration of the rate of growth of GNP to at least 6% per annum, and measures to halt environmental degradation.

- human development, including rapid progress towards human goals for the year 2000 in the areas of life expectancy, women's development and equal status, child and maternal mortality reduction, nutrition, health, water and sanitation, basic education, shelter, and full productive employment.

250. The case for a minimum rate of economic growth of 6 per cent is strong. This was the average growth rate achieved throughout sub-Saharan Africa from 1965 to 1973, except for Nigeria, and it was the rate achieved by 17 individual African countries for one or more of the eight year periods of 1965-73, 1973-80, or 1980-87. The target-rate would permit an increase of savings, investment, environmental protection and infrastructure, as well as finance the human development needs. It would allow an increase of about 3 per cent per annum in consumption - enough to support poverty reduction and increase consumption per head by a third by the year 2000 - and to double consumption over present levels by about the year 2015. In addition, such a target would serve as a test of performance for monitoring activities and as a measure for judging the adequacy of supportive action,, national and international, in support of the compact. As a goal for the poorest continent in the world, this is hardly overly-ambitious, since it would still leave sub-Saharan Africa with an average per capita income of only about $700 in the year 2015. Stronger emphasis on population policies would be central to these efforts.

251. The global compact for the 1990s could be supplemented optionally through country-by-country targets freely negotiated between African and donor countries which choose to participate in arrangements of this nature. Such country level arrangements might involve:

- commitment at the country level to specific development goals, with a group of development partners agreeing to provide long-term support;

- specific measures for additional support should commodity prices fall or adverse changes occur in the external environment that adversely affect the attainment of development objectives.

252. As part of such a compact, the African country could commit itself to making steady progress towards some basic human goals in the 1990s, and to key reforms for achieving sustained and sustainable development. Donors, on their part, could make commitments with respect to their own aid flows, debt relief measures and compensation for commodity price shortfalls, as well as efforts with other donors to obtain further concessions.

253. Such an approach can provide a framework and mechanism for achieving accelerated development in countries which choose this arrangement. Already some elements of this approach exist in the consultative group and roundtable mechanisms. Country-by-country compacts might be an opportunity to provide support for moving towards larger goals and structural transformation. It would also seem useful to establish such optional arrangements at the sub-regional level. This is particularly relevant in the context of the provisions of the Treaty establishing the African Economic Community. Finally, such arrangements should be clearly in the context of the over-all global compact between Africa and the international community. As such, this process and the progress achieved should be the concern of any future mechanism established for monitoring the global compact.

The International Elements

254. Bold measures are required to support the achieve-

ment of sustained growth and development. These should ensure enhanced aid flows, dealing decisively with the problem of debt and declining commodity prices.

255. The level of external assistance under UN-PAAERD declined in real terms [see table 1]. At the very least, the international community must ensure that over the course of the 1990s, external resource flows are sufficient to attain and sustain an economic growth rate of 6 per cent per annum by sub-Saharan African countries. If African export earnings increase, less will be needed from aid or debt relief. But if the terms of trade continue to move against Africa, as happened during UN-PAAERD, more support will be needed from aid or debt relief. Africa requires in 1992, a minimum of $30 billion in net official development assistance (ODA), plus further significant reductions in external debt service. The real net annual growth in ODA from the 1992 target must be at least 4 per cent up to the year 2000 in order to sustain an economic growth rate of 6 per cent a year, provided there is no further deterioration in Africa's terms of trade. Where debt service reduction measures are concerned, the World Bank has stated that these should ensure that debt service payments are at most no greater than $9 billion a year for all sub-Saharan Africa.

256. African countries cannot be expected to achieve genuine development given a total debt burden which exceeds $270 billion, the servicing of which, currently takes over 30 per cent of total exports. However, only about 60 per cent of the debt service due has in fact been paid. The balance is accounted for by reschedulings, which largely roll payments forward, and by the build-up of arrears. In 1990, debt service due, as opposed to what was actually paid, was of the order of $35 billion, or 50 per cent of African exports. For sub-Saharan Africa, debt servicing obligations were of the order of $17.5 billion (against actual annual payments which averaged close to $10 billion in 1986-89), and substantially above 50 per cent of export earnings. Debt write-offs and write-downs must address not only the debt now being serviced, but also the debt overhang created by payment obligations being rolled forward and from the accumulation of arrears.

257. Since 1987 some new thinking and initiatives have emerged on African debt. Nine member states of the Organization for Economic Co-operation and Development (OECD) have so far announced initiatives to cancel or convert into grants, bilateral loans granted to various low-income African countries. During 1987-1989, the total debt forgiven or converted for 32 low-income countries in Africa amounted to $1.6 billion. The equivalent amounts forgiven for 12 middle-income sub-Saharan countries was $206 million. According to the latest estimates by the World Bank, between 1978 and 1990, donors cancelled some $7.6 billion of ODA debt owed by Special Programmes of Assistance (SPA)-eligible countries. Virtually all debt forgiven was concessional. This measure, though very welcome, did not significantly reduce the obligation of these countries.

258. Recent announcements by several creditor countries will hopefully result in further cancellation of ODA debts owed by low-income countries in Africa. These include France's decision to cancel $2.4 billion in concessional debt owed by 35 low-income African countries, the United States announcement that it will forgive some $1.4 billion of debt owed by 22 African countries, and Italy's decision to cancel $1 billion of ODA debt owed by the most indebted low-income countries, most of which are African. The European Community has also announced that about $4 billion of debt owed to it by 69 African, Caribbean and Pacific (ACP) states would be cancelled by 1997. Modest as they are, these actions represent a growing consensus among bilateral donors that it is essential to substantially reduce or cancel the stock of African debt. The recent cancellation of $7 billion of Egypt's debt and forgiveness of 70 per cent of Poland's debt to the US, indicates that bold measures can be taken.

259. The situation of Africa, especially sub-Saharan Africa, calls for bolder measures and exceptional treatment on official and semi-official debt, private or commercial debt as well as multilateral debt. It is therefore proposed that:

(a) Official bilateral debt be cancelled;

(b) Semi-official/export credit debts owed by African countries should also be cancelled.

(c) Private/commercial debt, which is already highly discounted on financial markets, should be written down and the remaining debt reduced through donor-supported initiatives such as debt equity swaps, debt for environment schemes and poverty alleviation; and,

(d) Debt owed to multilateral financing institutions, which now accounts for about 40 per cent of sub-Saharan Africa's debt servicing obligations, should be substantially reduced with the assistance of donor countries.

260. An improvement in commodity prices would immediately enhance resource availability. Foreign aid during the last five years was hardly sufficient to cover losses incurred by countries as a result of falling commodity prices. A number of schemes such as IMF's Compensatory and Contingency Financing Facility (CCFF) are available to assist countries. Access to these resources are subject to meeting strict condition and the funds are loaned at relatively high cost. Other schemes relating to shortfalls in commodity export earnings are the ACP/EEC's STABEX and SYSMIN schemes and the Swiss Compensatory Financing Programme. These facilities are available only to certain countries in Africa and, while the funds made available are essentially in the form of grants, the overall amount of funds has been very far from sufficient to cover the full extent of the shortfalls experienced. Additional resources are needed for these facilities, as well as improvements in access to these schemes for African countries. Similarly, there is need for renewed efforts at international co-operation among consumers and producers, especially on coffee and cocoa. Diversification provides a major way out of commodity export dependence and its related problems. The study on diversification annexed to this report, offers a number of concrete suggestions which could assist African countries in their efforts to diversify their economies. The measures proposed include actions to be taken by African countries themselves, as well as their development partners. Additional resources will be required to support Africa's diversification programmes through enhanced contributions by the international community, increased domestic resource mobilization as well as through the creation of the

appropriate environment for both domestic and foreign capital mobilization. A diversification fund has been proposed as one mechanism by which additional resources could be mobilized, especially to support Africa's efforts. The international community should avail itself of the Common Fund for Commodities to achieve a stabilization of commodity prices at renumerative levels.

261. The experience of the 1980s in implementing reform policies and Structural Adjustment Programmes underscores the essential point that while sound macro-economic framework is a necessary condition, it is far from sufficient to achieve sustained and sustainable development. Adjustment efforts must be continued, but the process of structural transformation must be broadened and deepened and the requisite financial resources must be made available. The national elements of an African strategy in the 1990s ought to focus on the following priority areas:

(a) Continued Economic Reforms and Structural Transformations

- To approach the modest and attainable growth rate of 6 per cent in GNP, it will be necessary to continue to evolve and adopt policies that stimulate growth and, at the same time, promote fundamental transformation of the economies to make them more efficient and adaptable to external changes.

(b) Greatly Increased Investment in Human Development

- Development cannot be measured solely by the yardstick of economic aggregates. African countries in the 1990s need to focus, comprehensively on human needs and development. Policy objectives in this field ought to focus on the eradication of poverty, food security, education and health, with identified goals for the year 2000. Africa can only develop through the efforts and capacities of its people, and in this regard, the people and the strengthening of their capacities ought to be at the forefront of development planning. Since the vast majority of the African population by age are children and youths and by gender are women, particular emphasis must be placed on their development, capacity, and, in the case of women, their status.

(c) Environment, Population and Food Production

- Improving the welfare of the people is critically dependent on the link between economic growth, modernization of agriculture and population growth. Environmentally sound technologies and development of endogenous capacities are elements in arresting environmental degradation in Africa and recapturing its vast agricultural potential. It is critical that policies in the 1990s incorporate an integrated and coherent approach to these issues at national, regional, and global levels. Recognition must be given to the role of women in these areas and adequate attention paid to their special needs. A significant reduction in population growth rates is essential for achieving a meaningful increase in per capita incomes.

(d) Regional Integration and Co-operation

- Greater regional integration and co-operation has always been the aspiration of the African peoples. Such regional integration and co-operation will also enable Africa to compete in a world economy. The Heads of State and Government of the Organization of African Unity (OAU) signed in June 1991 the Treaty establishing the African Economic Community. The Treaty defines Africa's priorities and should be the focus of the international community's support for Africa's long-term development.

(e) Popular Participation and Governance

- The fundamental changes required in Africa in the 1990s go beyond economic aggregates. They call for economic justice, and popular participation in designing and directing the development process. It calls for improved governance, accountability, the rule of law, and human rights.

(f) The Role of the UN in Promotion and Monitoring the new compact

- The United Nations has played a crucial role in sensitizing international public opinion. The final review on the implementation of UN-PAAERD by the Ad Hoc Committee of the Whole and the General Assembly would provide the opportunity for agreement between Africa and the international community on the new compact for African development in the 1990s. In doing so, due account would need to be taken of various recent initiatives, including the Global Coalition for Africa.

262. UN-PAAERD lacked direct involvement of governments in its monitoring on a continuous basis. It is therefore desirable to establish, under the aegis of the UN General Assembly, a high level committee with equal representation from African and non-African governments, plus a group of eminent persons to be responsible for the monitoring of, and reporting on, the implementation of the new compact. The UN must continue to play its central role in providing both substantive and technical support for this process, particularly in the context of mobilizing international support and assisting African countries in their efforts.

263. The International Community cannot afford to be complacent. A new compact which commits both Africa and the international community to creating the conditions in which the aspiration of Africa's people for a better life can be realized is indispensable. Such a compact between Africa and the international community must be one that is fully observed and implemented by all parties. If the compact is effective, Africa could once again take its place as a dynamic and growing part of the world economy, with improving living standards for its people. But member states should also be reminded of the cost of failure: a whole continent would continue in stagnation and despair with repercussions for the entire world.

AFRICA RECOVERY NEWS FEATURE
REPORT OF THE UN SECRETARY-GENERAL ON THE REVIEW OF UNPAAERD

EMBARGOED UNTIL 01:00 PM GMT, WEDNESDAY, 28 AUGUST 1991

3-13 SEPTEMBER UN SESSION ON AFRICAN CRISIS

African efforts need much stronger global support: Secretary-General

The international community must substantially increase its support for Africa's efforts to revive its economies, or the continent will sink deeper into "an unrelenting crisis of tragic proportions," UN Secretary-General Javier Pérez de Cuéllar warns in a major report on the just-concluded UN Africa Recovery Programme. Asserting that "overcoming this crisis represents the greatest development challenge of our time," the Secretary-General urges that a new global compact for cooperation and development in the 1990s be urgently forged by Africa and the international community.

Such a compact would include the pursuit by Africa of sustained, human-centered development strategies required for the "structural transformation" of African economies, which alone can eliminate the poverty that grips the majority of the continent's people. To be meaningful, the compact must include identifiable goals and targets, says the Secretary-General. A principal target would be the doubling, by the year 2015, of Africa's current per capita income. Even then, this annual income would still only be some $700 in sub-Saharan Africa.

A global compact must be forged which would support Africa's commitment to the structural transformation of its economies. Only such a transformation would end poverty's grip on the continent.

To achieve these goals, the Secretary-General says that African countries must continue to carry-out their far-reaching actions and reforms. But "since even the fullest possible reforms and restructuring of African economies cannot generate the resources required" for sustained African development, the Secretary-General proposes that:

- Development assistance reach $30 billion by 1992 - compared to $21 billion in 1989 - and grow by 4 per cent a year until the year 2000.
- Bold action be taken to substantially reduce the continent's crippling external debt burden of $270 bn, which is estimated to have cost Africa at least $23 bn in 1990 to service.
- Concerted efforts be made to improve elements of the global economic environment which inhibit African recovery, particularly efforts at increasing incomes from exports and diversification of their economies.

Such support for African efforts would help achieve the 6 per cent annual growth in gross domestic product (GDP) that is required for doubling incomes by 2015.

The outcome of the 1986-90 UN Programme of Action for African Economic Recovery and Development (UNPAAERD) was clearly "unsatisfactory," says the Secretary-General's report, even though the great majority of African countries undertook a broad range of courageous initiatives as envisaged in the programme. But these "efforts were particularly undermined by an unfavourable external environment, which was reflected in the much reduced export prices and earnings while the prices of imports continued to increase." The fall in commodity prices alone cost African $19 bn in 1986, and $50 bn over the UNPAAERD period, despite export volumes having increased by an average of 2.5 per cent a year during UNPAAERD.

FINANCIAL FLOWS DECLINED

Similarly, the increased resources that the international community agreed in 1986 were needed to ensure the success of African efforts did not materialize. Some donors substantially increased their support for the continent, but overall, real net resource flows to the continent actually fell from $24.6 bn in 1986 to $23.3 bn in 1990 (by 1986 dollars). The combination of debt service, increased import costs, capital flight and, in particular, falling commodity prices, meant that Africa could not mobilize the additional $80 bn in domestic resources that was anticipated under UNPAAERD.

The report also asserts that the programme's goal

CPMD/DPI
UNITED NATIONS

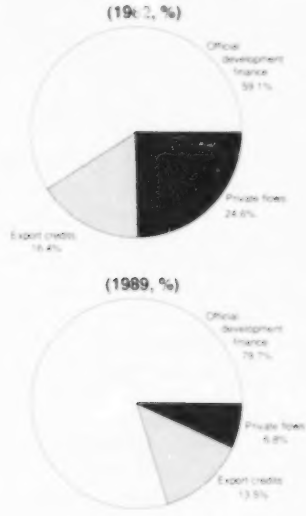
of moving towards the structural transformation of African economies did not occur partly because of the preoccupation with short-term stabilization measures that lay at the heart of the donor-supported structural adjustment programmes most countries were pursuing. "The objectives of these programmes often overlapped with those of UNPAAERD," the report says, "but the short-term implications of their policy prescriptions often conflicted with the long-term objectives of UNPAAERD." For example, the drive to diversify African economies became secondary to the need to immediately increase foreign exchange earnings through the expansion of traditional exports.

One reason for the unsatisfactory performance of African economies was the preoccupation with short-term stabilization measures that lay at the heart of structural adjustment programmes.

The Secretary-General's report will form the centrepiece of the full review of UNPAAERD at a special United Nations session of the Ad Hoc Committee of the Whole, from 3-13 September 1991 in New York. That session will result in a General Assembly decision about the nature of the new "framework of cooperation" that is required to promote African development.

The Africa Recovery Programme, unique in UN history for its focus on just one world region, was adopted at a Special Session of the General Assembly in 1986. It was called to find ways for the continent, already the world's poorest, to overcome an economic crisis of unprecedented severity. But "despite Africa's broad range of initiatives and notable progress towards democratization," says the Secretary-General's report, "economic and social conditions actually worsened during the five years of the UNPAAERD period."

Growing importance for Africa of official flows



INEFFECTIVE POLICIES

Africa's economic output in the five years, measured by its GDP, grew on average by 2.3 per cent in real terms. This reflected an improvement in the rate of growth for most countries over the first half of the decade, but meant that in per capita terms, GDP fell by an average 0.7 per cent a year during 1986-90. "The average African continued to get poorer and to suffer a persistent fall in an already meagre standard of living," says the report.

"There was scarcely any change for the better in the structure of African economies during the UNPAAERD years," says the report. "Their lack of dynamism and susceptibility to internal and external shocks, political instability, military conflicts, weak institutions and, often, less than effective policies to mobilize domestic resources continued to be both cause and consequence of the poor economic performance of most countries."

This disappointing performance affected nearly all regions and all sectors of Africa's economy. With an average of 3.2 per cent, eastern and southern Africa experienced the highest rates of growth during UNPAAERD, but still generally below the rate of population increase, while growth in central Africa averaged a mere 0.5 per cent between 1986-90.

Agricultural production, while showing a steady rise in output in most years, also failed to keep pace with the rise in population. As a result, Africa's food self-sufficiency ratio continued its steady decline during the UNPAAERD period. The cruel consequences of a rising dependence upon the outside world for even basic food needs have been mirrored in the famines which have continued to blight parts of the continent during UNPAAERD, and which are now as acute as in 1984-85.

COMMON ACTION POSSIBLE

Recent developments indicate that renewed common action to revive economic and social progress in Africa is possible, says the Secretary-General. Most African countries are determinedly pursuing tough recovery programmes, resulting in improved economic management, which in some countries led to the halting, and sometimes the reversal, of the decline in economic and social conditions.

But "Africa does not lack strategies or policy frameworks for the challenges that confront it," says the Secretary-General, pointing in particular to the Lagos Plan of Action, the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation, and the African Charter for Popular Participation in Development and Transformation.

There is also growing consensus between Africa and the donors on previously divisive policy issues. It is now agreed, for example, that structural adjustment must give more emphasis to the longer-term, human-centered transformation needed in Africa. And the substantial debt cancellations agreed for Egypt and Poland by the creditor countries reflect the recognition that "it is essential not only to reschedule but to reduce the stock of debt."

BOLD MEASURES ON DEBT

Debt reduction must be a major priority, says the Secretary-General. "It is simply not possible for African countries to develop with their current debt burden exceeding $270 bn." Debt servicing consumed at least $23 bn in 1990, and the true dimension of that burden can be gauged by the fact that this payment represented only about 60 per cent of the debt service due. The balance is accounted for largely by reschedulings, which merely postpone and often increase the payments due, and by the build-up of arrears, which are now 20 to 30 times what they were 10 years ago in Africa.

Africa's stock of debt rose from $203.7 bn in 1986 to $271.7 bn in 1990. As a percentage of Africa's GDP, it represented an increase in the burden from 54 per cent in 1986 to over 109 per cent in 1990. (The figure for the next most debt distressed region, Latin America, is 48 per cent) In terms of export earnings, servicing this debt consumed, on average, over 30 per cent of resources which could otherwise have been spent on much needed development efforts.

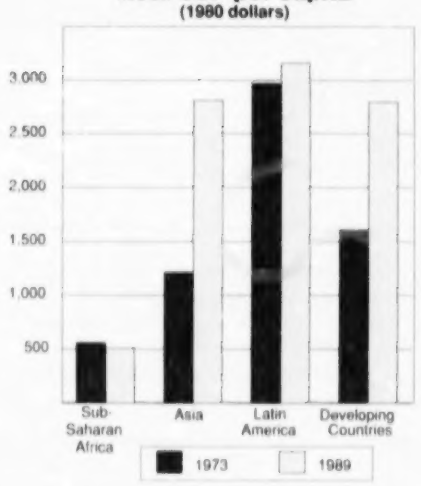
Given Africa's particularly disadvantaged position in the world economy, and the fact that the debt relief steps taken by Western leaders at the 1988 Toronto summit have yet to yield any significant gains, the Secretary-General calls for "bolder measures and exceptional treatment" for its debt, and particularly that of sub-Saharan Africa. He proposes that:

- Official bilateral debt, as well as semi-official export credit debts, be cancelled.
- Debt owed to multilateral institutions should be substantially reduced with the help of donor countries.
- Private commercial debt, already highly discounted on financial markets, should be written down, and the remaining debt reduced through donor-supported initiatives such as equity and environment swaps.

The results of these debt relief measures must be such that sub-Saharan Africa, for example, should at most pay no more than the $9 bn it paid annually during the UNPAAERD period.

Resources for African development were further

Real GDP per capita
(1980 dollars)



diminished by capital flight from the continent, which may have totalled $30 bn during UNPAAERD, but most particularly by plummeting commodity prices, on which Africa continues to depend for 70 per cent or more of its export earnings. In addition to the $50 bn so lost, earnings also continued to be constricted by protectionism in many industrial country markets. Finally, Africa's increased volume of exports failed to keep pace with the increases in exports from competing countries, resulting in the continent's share of the global market for most of its traditional products falling.

Servicing its debt cost Africa over $23 bn in 1990. It is simply not possible for Africa to develop under such a debt burden. Bold action to substantially reduce Africa's debt stock of $270 bn must be taken, through measures which include cancellation of official bilateral debt.

With the cost of imports continuing to rise, the UNPAAERD years saw a marked deterioration in the terms on which African countries trade with the rest of the world. The purchasing power of exports fell sharply, averaging about 54 per cent during 1986-90, compared with 76 per cent in 1981-85 (using 1980 as 100 per cent). No other region of the world experienced such a catastrophic loss.

This decline in the resources from trade, available for development, was compounded by the failure of the international community, as a whole, to increase the net flow of financial resources to Africa, by some $9 bn a year over and above net flows in 1985-86 of some $25 bn, as agreed in 1986. Increased flows from some donors and new initia-

tives by multilateral institutions, such as the World Bank, as well as the UN itself, did not significantly offset declines elsewhere.

RESOURCE FLOWS

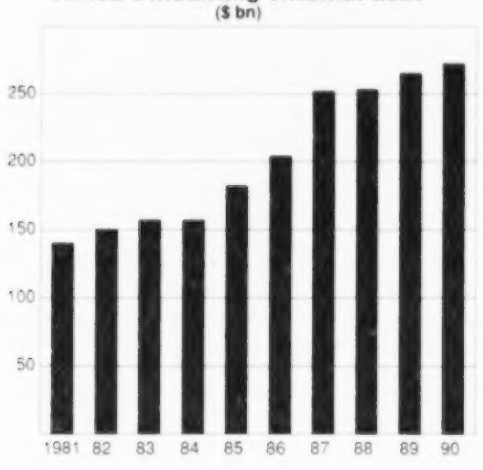
Based on latest figures from the Organization for Economic Cooperation and Development (OECD), the report says net resource flows to Africa actually declined in real terms (1986 prices), from $24.6 bn in 1986 to $23.3 bn in 1990. Some of this decline was attributable to the drop in some private flows, particularly commercial bank lending, and the drying up of export credits during the 1980s.

During 1986-90, Africa's far-reaching actions and reforms were particularly undermined by an unfavourable external environment: overall resource flows, which were expected to rise in real terms, instead declined, and plummeting commodity prices led to a $50 billion loss in export income.

But even official development finance, which accounts for some 80 per cent of net flows to Africa, showed only a minimal rise in real terms, from $16.2 bn in 1986 to $16.9 bn in 1989, the latest year available. This is despite new initiatives undertaken by the African Development Bank, IMF and World Bank to increase concessional resources to Africa, through facilities such as the African Development Fund, the Enhanced Structural Adjustment Facility, the International Development Association and the Special Programme of Assistance for Africa (SPA).

Some of this effort was diluted by repayments to the institutions themselves. Net disbursements by the World Bank to Africa totalling $7.6 bn between 1986-89, amounted to actual net transfers of $4.9 bn when repayment of interest and other charges are included. In the case of the IMF, such charges meant that for all but one year during UNPAAERD, African countries paid back more to the IMF than they received: for sub-Saharan Africa this outflow averaged $676 mn a year. Africa's debt problems, like its commodity concerns, were not dealt with adequately during the UNPAAERD period, the report concludes.

Africa's mounting external debt
($ bn)



SOCIAL CONSEQUENCES

Despite efforts at economic reform, "human conditions worsened considerably during the UNPAAERD period," the report says. Continued economic crisis, and in some cases austerity measures induced by structural adjustment programmes, resulted in declines in education, health, nutrition, employment and incomes. "The percentage of total government expenditure devoted to health in 1985 was nearly 6 per cent and to education, 15 per cent. By 1990, the share of health and education in total government expenditure had declined to 5 and 11 per cent respectively," the report says.

Primary school enrolment rates fell — from 77 per cent in 1980 to 70 per cent in 1990. Literacy rates increased, but the number of illiterates rose. Cuts in health spending have slowed progress in reducing infant and maternal mortality rates — both the highest in the world — and, compounded by natural disasters, led to growing numbers of severely undernourished people. In 1989, 40 per cent of Africa's pre-school children were suffering from acute protein deficiency, compared with 25 per cent in 1985.

Even then, remarkable progress has been made in some areas. By 1990, 22 African countries had achieved the target, set in 1986, of immunizing 75 per cent of children against polio, measles, whooping cough, tetanus, and diphtheria.

The impact of the economic crisis and many of the policies intended to counter it was particularly severe on wage earners. On average, real wages declined by over 30 per cent in the 1980s, and the level of real public sector wages declined by more than half, according to a World Bank/UN Development Programme (UNDP) study. This had serious consequences for productivity and motivation. Open unemployment also grew, at an average of 10 per cent a year between 1986-90. Laid-off workers were driven in large numbers to the often riskier and less remunerative informal sector.

PRIORITIES FOR THE 1990S

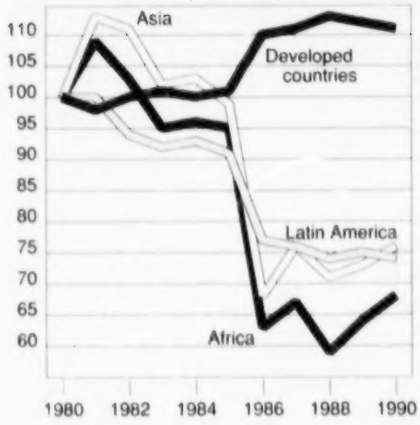
If the decline in per capita incomes suffered by much of Africa in recent years is to be reversed, the report argues, more specific, operational and clearly focused goals must be set for a new compact between African countries and its development partners in the 1990s.

Such a renewed compact must achieve three essen-

tial goals throughout the continent, the report says:

- sustained and sustainable development, with an average rate of economic growth of 6 per cent a year, while at the same time taking measures to halt environmental degradation;
- human development, including productive employment and rapid progress towards specific goals in areas such as life expectancy, women's development, child and maternal mortality, nutrition, basic education and shelter;
- transformation and diversification of African economies, to strengthen them within the world economy, while enhancing self-reliance.

Terms of trade
(1980 = 100)



While the 6 per cent growth target may seem ambitious, it is no more than the average achieved throughout sub-Saharan Africa (except for Nigeria) between 1965 and 1973 and achieved by many individual countries since. Such a growth rate would permit an increase in consumption of about 3 per cent a year, doubling present levels by about the year 2015, providing that stronger population policies were also implemented. Even then, average per capita income would still only be some $700 a year for sub-Saharan Africa.

To achieve such goals, the Secretary General's report suggests supplementing a global compact with country-specific compacts where African countries so wish. These compacts could be along the lines of the present Round Tables, organized by UNDP, and Consultative Groups, organized by the World Bank. Consisting of a small core of three-to-five major donors, these could provide long-term support to specific development goals to which the country commits itself — including steady progress towards some basic human goals and key reforms.

For their part, donors would make commitments of their own on aid flows, debt relief and compensation for commodity earnings shortfalls, backed by efforts to mobilize resources from a larger set of donors.

Such compacts could also be forged at the sub-regional level, to boost Africa's intensifying efforts at regional integration. This is particularly important given the goals of the treaty for the establishment of the African Economic Community which was approved at the Organization of African Unity's summit in June this year.

Under the compact, African countries would pursue their priorities of continued economic reforms, set in a long-term framework, that will structurally transform their economies; greatly increased investment in human resources; a coherent and integrated approach to the issues of environment, population and food production; strengthening regional integration and cooperation; and fostering greater popular participation, improved governance, accountability, and ensuring the rule of law and human rights. For the international community, the compact would involve a commitment to increased resource flows, bolder measures of debt relief and efforts to improve Africa's returns from trade, including support for the establishment of a Diversification Fund for Africa (see following news feature).

To ensure a greater chance of success for a new compact between Africa and the international community than occurred in 1986-90, the Secretary-General's report calls for the direct and continuous involvement of governments in its monitoring. To this end, it recommends the establishment of a high-level committee, under the aegis of the UN General Assembly, with equal representation from African and non-African governments, plus a group of eminent persons. The UN must continue to play its central role in providing both substantive and technical support for this process, the Report says.

The target is a 6 per cent economic growth rate for Africa, which would enable a doubling of per capita income by the year 2015. Even then, it would only be $700 for sub-Saharan Africa.

A new compact must be fully observed and implemented by all parties, the report argues. If such a compact is successful, the report says, "Africa could once again take its place as a dynamic and growing part of the world economy, with improving living standards and human welfare." But the report warns that the cost of failure would condemn a whole continent to "continue in stagnation and despair, with repercussions for the entire world." ■

ECONOMIC DIVERSIFICATION A PRIORITY FOR ACTION

UN calls for fund to reduce Africa's commodity dependence

Urgent efforts must be made by African countries and the international community to develop and finance a strategy for diversifying African economies away from their chronic dependence on primary commodities. An African Diversification Fund should therefore be set up to provide technical assistance and funding for diversification programmes in the region, says a special study which forms part of the UN Secretary-General's report on UNPAAERD.

Bleak prospects for most of the commodities exported by Africa makes the task of diversification an urgent one; "additional concerted action by the international community needs to be taken to stimulate the diversification efforts in African countries," says the study, which was prepared at the request of the General Assembly. The study, "Implementation of Diversification in the Commodity Sector in Africa at National, Subregional and Regional Levels with the Support of the International Community," argues during the 1980s. The structural adjustment programmes (SAPs) that most African governments are following have not diminished this dependence.

Bleak prospects for most of the commodities exported by Africa makes the task of diversification an urgent one; "additional concerted action by the international community needs to be taken to stimulate the diversification efforts in African countries," says the study.

Over half of African countries still depend on just one or two commodities for 70 per cent or more of their export earnings. For another third, such dependence accounts for between 50 and 70 per cent. This dependence continues to be in traditional products, such as coffee, cotton and petroleum, with few African countries managing any significant shift into new products.

Such dependence on traditional products actually worsened during the 1980s, when over 40 African countries saw either little change or an increase in their dependency on one or two commodities. Several countries, including Benin, Burkina Faso, Cameroon, Liberia and Mozambique, even saw a reversal of the reduced commodity dependence they had achieved in the 1970s. This is in sharp contrast to practically all Latin American and Asian developing countries which have considerably reduced their dependence on commodities in recent years.

At the same time, the ability of African countries to influence market conditions for their commodity exports has diminished, as their share of world markets has decreased in practically all cases. "This has left most African economies vulnerable to conditions affecting their major export products over which they have no control," the study points out.

FOOD SELF-SUFFICIENCY

The study makes a series of recommendations for action at the national, regional and international levels. African governments should include diversification programmes as an important element in their development plans, and include these programmes in their negotiations with donors. Donors themselves, both bilateral and multilateral, should adapt their lending to support these programmes, the study suggests.

As a first step towards a successful diversification strategy, the study calls on African governments, in collaboration with their local private sectors, to elaborate commodity sector strategies. As well as promoting diversification programmes, such strategies should be designed "to recapture the competitiveness for traditional export commodities" in which African countries have a competitive advantage.

The Diversification Fund could provide "an essential focal point to galvanize technical assistance that is required and to provide finance" for a range of services, such as feasibility studies, the development of information networks and for training in management and marketing.

REGIONAL FRAMEWORK

A regional framework is essential for diversification, especially in the area of trade in food products. The initiation, earlier this year, of the African Economic Community provides important momentum for strengthening regional trading linkages, the study says. To this end, it calls on African governments to improve trade information networks on the continent, eliminate tariff and non-tariff barriers and take other measures to facilitate intra-regional trade, including improved payment facilities and transport systems in the region. The study calls for enhanced coordination between African countries in order to promote joint projects and to take advantage of the opportunities provided by joint marketing and other support ser-

strategy. As the main agent of diversification, th private sector, both corporate and non-corporate - farms, households — must have better access finance. This requires an improved domestic savin rate and therefore the development of a gener economic environment which will encourage this, a well as a financial infrastructure which ensures th efficient distribution of resources.

INTERNATIONAL COMMUNITY

Again, the international community has an importan role to play in diversification by providing more tech nical and financial assistance to develop viabl projects. This could be taken to the stage of helpin African countries in the negotiation of contracts fo investmen and marketing.

The study also urges increased efforts by interna tional donors "to provide access by local privat entrepreneurs to external concessional and non-con cessional sources of finance."

A number of facilities already exist to help develo entrepreneurial skills and to develop small-scal projects in Africa, some involving the UN Develop ment Progamme, the African Development Bank an the International Finance Corporation. But given th urgency and magnitude of the task, the study argue that these efforts need to be supplemented by th establishment of an African Diversification Fund.

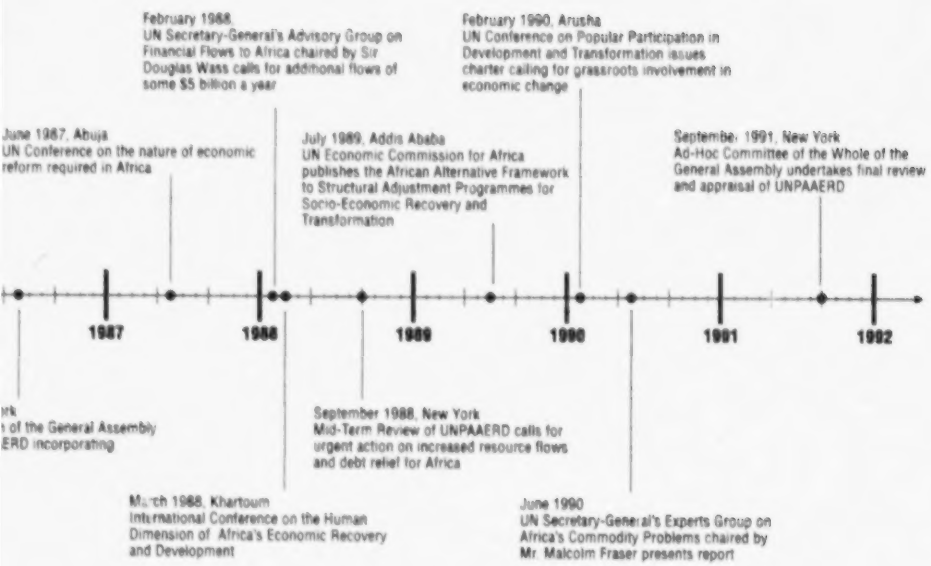
The Fund could provide "an essential focal point t galvanize echnical assistance that is required and t provide finance" for a range of services, such a feasibility studies, the development of information networks and for training in management and marketing It could also provide loans, concessiona and non-concessional, to venture capital companies and national development finance institutions fo financing diversification projects.

FINANCI FOR FUND

Finance for such a Fund could come from a number of sources, the study suggests. These include direct and voluntary contributions from donor governments; a tax of half a percent on the consumption of all com modities in developed countries, which, the study

A A E R D M I L E S T O N E S

Major UN initiatives on Africa


February 1988,
UN Secretary-General's Advisory Group on Financial Flows to Africa chaired by Sir Douglas Wass calls for additional flows of some $5 billion a year
February 1990, Arusha
UN Conference on Popular Participation in Development and Transformation issues charter calling for grassroots involvement in economic change
June 1987, Abuja
UN Conference on the nature of economic reform required in Africa
July 1989, Addis Ababa
UN Economic Commission for Africa publishes the African Alternative Framework to Structural Adjustment Programmes for Socio-Economic Recovery and Transformation
September 1991, New York
Ad-Hoc Committee of the Whole of the General Assembly undertakes final review and appraisal of UNPAAERD
1987
1988
1989
1990
1991
1992
of the General Assembly
ERD incorporating
September 1988, New York
Mid-Term Review of UNPAAERD calls for urgent action on increased resource flows and debt relief for Africa
March 1988, Khartoum
International Conference on the Human Dimension of Africa's Economic Recovery and Development
June 1990
UN Secretary-General's Experts Group on Africa's Commodity Problems chaired by Mr. Malcolm Fraser presents report

THREE KEY ISSUES

COMMODITIES, FINANCIAL FLOWS & DEBT

Economic recovery and development in Africa depend primarily on the policies and actions of African countries. But as the Secretary-General says in his report on UNPAAERD, three closely-linked international elements — commodity prices, resource flows and external debt — will play a critical role in determining whether African efforts succeed. Potentially, the combined trends in these three items can be far more important than aid alone: in 1986, for example, plummeting commodity prices cost Africa $19 bn in export income, substantially more than all the aid it received in the form of grants and concessional loans. And while prices of export commodities fell — costing Africa a total of $50 bn between 1986-90 — the cost of its imports continued to rise. The consequent fall in the purchasing power of Africa's exports was catastrophic, as the graph on this page shows.

Africa's low level of industrialization makes it heavily dependent on imported inputs for generating growth and development. As such, the total level of external inflows (which finance all imports) is a crucial factor in Africa's recovery efforts. But in the 1986-90 period, there was a steep decline in many of the principal sources of foreign exchange: export revenues, commercial loans and export credits. All a rise in nominal terms. In real terms it grew only marginally between 1986 and 1990.

The result was that overall net resource flows to Africa fell between 1986 and 1990, from $24.6 bn to $23.3 bn (in 1986 dollars). But even these resource figures do not tell the full story, since they do not reflect payments of interest, charges and dividends, which lowered the $32 bn in net resource flows in 1990 by $16.5 bn (in current dollars).

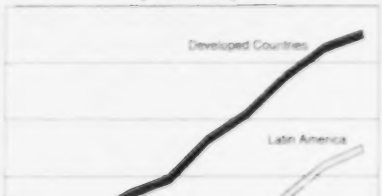
- In concrete terms, despite an annual 2.5 per cent increase in export volume, Africa's annual earnings from exports fell an average 16 per cent during 1986-90, in nominal terms; from an annual average of $65.2 bn in 1981-85 to one of $54.8 bn during the UNPAAERD period.

- Similarly, imports averaged $62.3 bn a year between 1986-90, down from $69.1 bn between 1981-85, a near-10 per cent average fall in nominal terms. In real terms, the decline in both export income and imports was substantially greater.

- The relatively greater fall in export earnings meant that Africa's trade deficit widened during the UNPAAERD period; from an annual average of $3.9 bn in 1981-85 to $7.5 bn in 1986-90.

Africa's troubled trading picture, therefore, exacerbated an already gravely impaired ability to procure the resources for recovery. As a result, throughout the UN-

Purchasing power of exports
(1980 = 100)



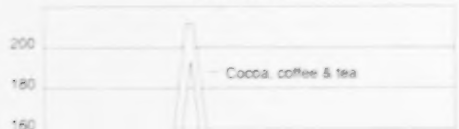
COMMODITIES

Falling commodity prices cost Africa $50 bn in lost export earnings between 1986 and 1990 — equivalent to nearly a year's receipts.

Between 1986-90, Africa' earnings from international trade — more important, by far, than aid as a source of investment for development — fell to an average of $54.8 bn a year, from $65.2 bn during 1981-85. This decline, much greater in real terms, was a major factor in undermining Africa's own efforts to finance its economic recovery. With the vast majority of export earnings coming from the export of raw materials, it has been the relative fall in commodity prices on world markets which has reduced the continent's access to the resources it needs for development. It is for this reason that African countries are placing a stress on diversification away from such a heavy dependence upon commodities.

No other region of the world is so dependent upon raw materials as Africa. Nine out of 10 African countries depend on primary commodities for 70 per cent or more of their exports. In Latin America only seven out of 10 countries are so dependent and in Asia only five out of 10. The basic nature of most African economies has remained virtually unchanged for the last 30 years. During the 1980s, 25 out of 38 African countries for which data exist actually increased their dependency on commodities or saw little significant change. Only six African countries — Gabon, Ghana, Mauritius, Morocco, Sierra Leone and Tunisia — have

Real non-oil commodity prices
(1980=100)



prices for all major commodity groups were lower, in real terms, in 1990 than at the start of the 1980s. While prices of non-fuel commodities during the 1970s, on average, were 10 per cent higher than in 1980, during the last 10 years they have been almost 20 per cent lower. According to the UN, falling commodity prices cost Africa $50 bn in lost export earnings during the UNPAAERD period — equivalent to nearly a year's receipts.

In volume terms, Africa's exports grew by an average 2.5 per cent a year during the UNPAAERD period. But the unit value of these exports fell to only two-thirds of the level that had prevailed in 1980. At the same time, the unit value of Africa's imports increased, compared with 1980. As a result, the purchasing power of a given amount of African exports had fallen by nearly half by 1990.

In some cases, losses from weak commodity markets have been compounded by a fall in Africa's share of the global market for a particular commodity, a trend sometimes worsened by international funding for development of such exports elsewhere in the world. According to the World Bank, Africa's share of primary commodity exports — excluding oil — fell from 7 per cent to below 4 per cent between 1970 and 1985. The fall was particularly acute in cocoa and coffee, where the continent's market share shrank by 33 and 13 per cent respectively over the same period.

Prices during the decade varied between commodity groups. Metal prices, generally, increased during the UNPAAERD period, in

African countries. With increasing supplies coming onto the market, prices fell sharply in the second half of the decade. By 1989, cocoa prices were at their lowest level for more than 15 years, and by early 1990 most African coffee prices were at similar low levels. Between 1985 and 1989 African cocoa producers lost over $3 bn, despite a 26 per cent jump in output as prices, in real terms, fell to their lowest levels ever.

African oil producers suffered a similar sharp price fall during the second half of the 1980s. Average prices during the UNPAAERD period were virtually half those prevailing in the previous five years, with devastating consequences for budgets and development plans in many exporting countries.

The UNPAAERD years witnessed international cooperation on commodity issues fall to its lowest point since the 1960s. Much of the severity in the fall of cocoa and coffee price was the result of the collapse of price stabilizing agreements for the two commodities. With the tin agreement also collapsing, only natural rubber at the end of the UNPAAERD period had an agreement which could actively intervene in the market.

Priorities for the 1990s

Renewed efforts at international cooperation are one clear priority for the 1990s, aiming at improving market intelligence and, where possible, easing sharp fluctuations in prices.

The experience of the 1980s would suggest that these will need to be backed by improved measures to compensate commodity exporters for earnings shortfalls caused by factors outside their control. Existing mechanisms, such as the IMF's compensatory and contingency financing facility (CCFF) and the European Community's Stabex and Sysmin schemes, have proved inadequate, for various reasons, in the face of the severity of Africa's commodity problems. There is a need, therefore, for additional resources for these facilities, as well as changluts that lead to sudden dramatic price falls; joint research and promotional efforts could lead to new and expanded market opportunities.

But the major thrust of efforts during the 1990s is likely to be towards reducing Africa's overwhelming dependence on a narrow range of raw materials for its hard currency earnings. Diversification — both into non-traditional commodities and into more valuable processed goods — is a major priority, both for African countries own efforts and in their call for action by the international community.

Terms of trade
(1980 = 100)

Some success in diversifying economies has already been recorded. Mauritius, for example, has greatly reduced its dependence on sugar through increasing exports of manufactures. Others have developed horticultural exports or an expanding fisheries sector.

Such efforts are sometimes inhibited by access to markets. Action to roll back present barriers to industrial country markets is urgently needed. At the same time, African countries are concerned that their preferential access to certain markets, such as the European Community through the Lomé Convention, is being eroded.

Africa's diversification effort will also need to be backed, at the international level, with increased resources. Unlike in other regions of the world, diversification in Africa has received relatively little in the way of international support. The second account of the Common Fund for Commodities, now coming into operation, could be one source of such funds. But a special study on diversification attached to the

The UNPAAERD years witnessed international cooperation on commodity issues fall to its lowest point since the 1960s.

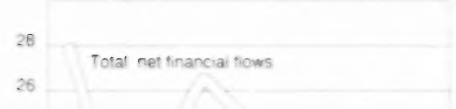
FINANCIAL FLOWS

Net financial flows into Africa declined in real terms during the UNPAAERD period.

The success of African recovery plans was predicated on an increased flow of financial resources into the region to complement the countries' own investment efforts. The UN Special Session in 1986 agreed that additional flows of some $9 bn a year — implying total net flows of close to $35 bn (in constant dollars), would be needed. It was also presumed that there would be a steady improvement in earnings from exports. Instead, the UNPAAERD years saw a steady decline in export earnings, largely as a result of falling commodity prices, totalling some $50 bn. Financial flows not only failed to compensate for falling earnings, they fell far short of the figure suggested in 1986, and actually declined in real terms.

Net financial resource flows — public and private grants, loans and investment, minus repayment of principal, but not interest, dividends and charges — into Africa, which stood at $24.6 bn in 1986, fell to $23.3 bn (in the same 1986 dollars) by 1990. Annual net resource flows during UNPAAERD were some 7 per cent down in real terms on the preceding five year period — an average $23.5 bn a year (in 1986 dollars) compared with $25.2 bn during 1981-85.

Net financial flows
(at 1986 prices and exchange rates, $ bn)



A small rise, in real terms, in official development assistance (ODA), from $16.2 bn in 1986 to $16.9 bn in 1989, was offset by a sharp fall in export credits and

Africa, only half of what was due was paid.

Economic instability, political uncertainty and fear of devaluation combined to prompt a large and steady exodus of savings. Such capital flight probably averaged at least $5 bn a year, or $30 bn during the UNPAAERD period, and possibly as high as $50 bn.

According to figures from the Organization for Economic Cooperation and Development (OECD), net flows of official development finance — which account for some 80 per cent of total resource flows to Africa — rose in the latter part of the 1980s, from under $20 bn in 1986 to a provisional $28 bn in 1990. But in real terms the rise was under 2 per cent a year. In 1986 prices and exchange rates,the level of official support averaged a little over $18 bn a year during 1981-85 and $19.7 bn during 1986-90.

By far the biggest portion of this support was in the form of concessional aid, which rose modestly in real terms, from an average $15.2 bn a year during the first half of the decade to $16.3 bn for 1986-89. The UNPAAERD period saw little change in Africa's share of aid from the Development Assistance Committee (DAC) members of the OECD, with sub-Saharan Africa's share rising marginally, from 28.5 per cent in 1986 to 29.8 per cent in 1989.

Most of the aid to Africa continued to be distributed through bilateral channels. Net flows of such aid rose in nominal terms from

However, during the UNPAAERD period much of the effort to direct more aid to Africa centred on the multilateral institutions, in particular the World Bank. In 1987, the replenishment of its soft-loan affiliate, the International Development Association (IDA), earmarked half of its resources to sub-Saharan Africa, some $6.2 bn. In the same year, the Bank launched its Special Programme of Assistance (SPA) for low-income, debt-distressed African countries, with some $6.4 bn pledged through a combination of co-financing and debt relief, of which approximately half was considered additional to existing planned expenditures for Africa. Though limited to some 22 countries initially, the SPA has been a significant factor in channelling more and faster disbursing aid to the region.

The IMF similarly attempted to make its resources more responsive to Africa's needs, with the establishment of a concessional Structural Adjustment Facility (SAF) in 1986, followed by an enhanced version (ESAF) in 1987. Unfortunately, tight conditionality on borrowing from these facilities has limited their use by African countries. Despite raising commitments from some $1.95 bn in 1986 to $3.6 bn in 1989, the IMF remained a net recipient of funds from Africa in all but one year of the UNPAAERD programme. In total, African countries paid back to the IMF between 1986-90 nearly $3 bn more than they received (for sub-Saharan Africa, the figure is $1.8 bn).

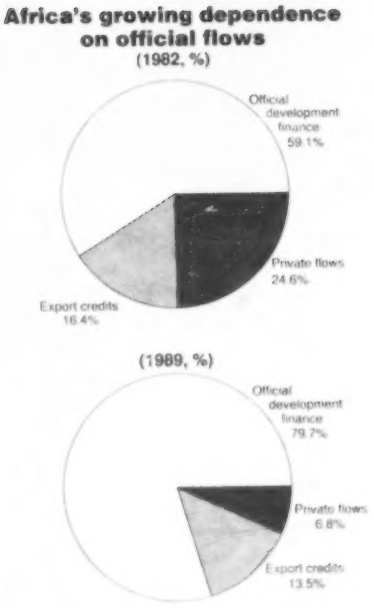
The UNPAAERD period also saw a significant expansion in lending by the African Development Bank (ADB) following a 200 per cent capital increase in 1987. Total group lending virtually tripled, from $4.3 bn in 1981-85 to $12.1 bn in the 1986-90 period.

Finally, UNPAAERD has been a major focus of activity for UN agencies. Africa's share of total global assistance offered by the UN system rose from approximately 40 per cent in 1986 to 55 per cent in 1989; from $1.2 bn to $1.6 bn.

without such programmes often starved of aid funds. For the World Bank itself, funding was increasingly directed towards fast-disbursing programme lending, usually with a large number of conditions attached. Such lending accounted for 35 per cent of 1987-90 lending, compared with less than half that in the preceding three years.

The rise in aid flows was also diluted by a sharp fall in other official flows with the notable exception of contributions from non-governmental organizations, which rose (see NGO factsheet). The net flow of export credits fell in nominal terms from some $2.6 bn a year in 1981-85, to under $1 bn between 1986-90, with net outflows to DAC countries recorded in 1986 and 1988. Net international bank lending rose, in nominal terms, during the UNPAAERD period, according to OECD figures, but was well down on levels prevailing in the late 1970s. Net direct investment failed to rise, averaging a little over $1 bn a year in both the 1981-85 and 1986-89 periods.

Africa's growing dependence on official flows



Priorities for the 1990s

Urgent action is needed to improve net financial flows into Africa. Measures proposed by the UN Secretary-General's report include:

- A sharp increase in aid flows in real terms. Net aid inflows should total $30 bn in 1992, compared with a little over $20 bn in 1989. Thereafter, net inflows of aid should grow at a rate of 4 per cent a year for the rest of the decade.

- Larger aid inflows need to be coupled with deeper debt relief (see Debt factsheet). For sub-Saharan Africa total debt servicing should not be more than $9 bn a year.

The IMF remained a net recipient of funds from Africa in all but one year of the UNPAAERD programme.

AFRICAN DEBT

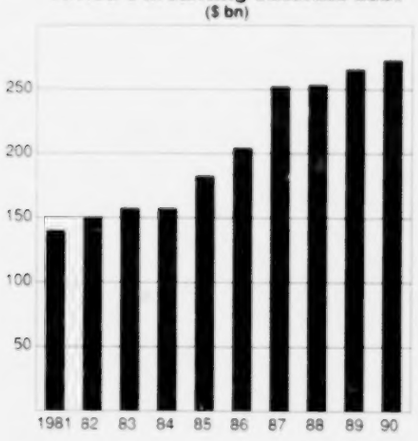
African countries have managed to pay back only half the debt servicing originally due. Interest arrears have risen to over $10bn.

Africa's rising stock of debt is not sufficiently large to threaten the world's financial system, but relative to the size of Africa's economies it represents a burden far heavier than in any other region of the world. Africa's creditors have recognized the need for special measures to address the region's problems. However, their actions are yet to significantly ease this burden and have largely been limited to low-income countries carrying out adjustment programmes approved by the International Monetary Fund (IMF) and World Bank.

By 1990, Africa's foreign debt had climbed close to $272 bn — almost double its 1980 level and equivalent to over 90 per cent of the region's gross domestic product (GDP). For sub-Saharan Africa, the debt burden was heavier still: 112 per cent of GDP. For some countries — Congo, Guinea-Bissau, Mauritania, Mozambique, Sao Tome, Somalia — the ratio of debt to GDP was 200 per cent or more.

In servicing this debt, African countries are paying out over $20 bn a year (close to $10 bn for sub-Saharan countries). This has been roughly equivalent to 30 per cent of export receipts. With countries highly dependent on imports for much of the resources they need for development, servicing the debt has directly taken away money needed for clinics, schooling and job creation schemes.

Africa's mounting external debt
($ bn)



Even then, most African countries have found it impossible to fully meet all their debt servicing obligations. Sub-Saharan African countries, for example, have managed to pay only half of the obligations originally due. Arrears on interest payments on their long-term debt, for example, rose from $221 mn in 1980 to $7.2 bn in 1989 (for Africa as a whole, arrears rose from $704 mn to $10.7 bn over the same period). Most countries have been forced to negotiate new repayment terms. The debt of more than 30 African countries has been re-scheduled, many more than once. This action, by adding interest arrears to the principal, has often increased their stock of debt.

Unlike other regions, most of Africa's debt is owed to official creditors — some 60 per cent. This pattern has been intensified by the contraction in private bank lending to Africa during the 1980s. Sub-Saharan Africa has been even more dependent on official creditors — two-thirds of its debt stock in 1990 was official, compared with less than half in 1980.

In the UNPAAERD period the share of the multilateral institutions in the stock of Africa's debt rose sharply — to over a quarter of sub-Saharan Africa's debt, against under 20 per cent in 1980. Their share of debt servicing is even higher — around 40 per cent for sub-Saharan Africa.

Between 1986 and 1990, creditors undertook a number of initiatives on Africa's debt. In 1987-89, total debt cancellation for 24 low-income African countries amounted to $1.6 bn and for nine middle-income countries, $222 mn. Altogether, the World Bank estimates that between 1978 and 1990 donors cancelled about $7.6 bn in aid debt to low-income African countries.

Additional significant initiatives have been undertaken. Among the major donors, France has cancelled some $2.4 bn of debt owed by 35 low-income African countries; the United States has undertaken similar action for $1.4 bn of debt to 22 African countries; and Italy has cancelled $1 bn of debt owed by developing countries, most of which are African.

Under terms agreed at the 1988 Western economic summit in Toronto, leading creditors have offered partial write-offs and easier repayment terms on some non-concessional official debts.

Following a similar initiative at the Houston summit in 1990, middle-income countries have been offered improved repayment terms. To date Congo, Morocco and Nigeria have benefited.

Only one African country, Morocco, has so far benefited from the so-called Brady initiative which is designed to lower the stock of commercial debt, while at the same time ensuring a mix of new private and official funding.

The World Bank has made $100 mn available, supplemented by bilateral resources, to fund the buying back of the commercial debt of certain low-income countries. The first deal, for Niger, was struck in late 1990.

To help overcome the problem of payment arrears to the IMF — five African countries are ineligible to borrow because of such overdue payments — a 'rights accumulation' programme has been devised under which countries can accumulate credited borrowing rights. These can eventually be used as collateral to pay off the arrears. Zambia has become the first country to take up the scheme. The World Bank has also taken action to help low-income countries pay servicing costs on previous Bank loans.

In spite of the benefits that Africa has derived from many of these initiatives, the real debt relief accruing has so far been marginal. Virtually all of the debt forgiven, for example, has been highly concessional aid debt, with only a modest impact on debt servicing. In 1990, cancellations saved less than $100 mn, out of total payments of some $10 bn by sub-Saharan African countries as a whole.

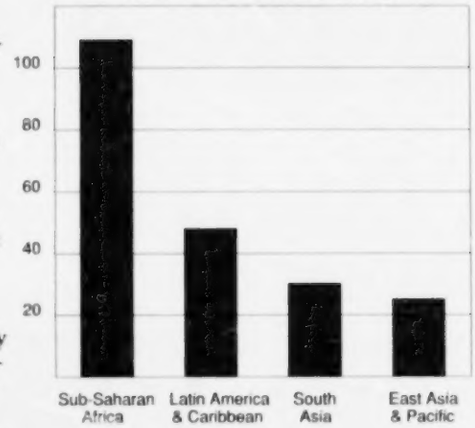
The same picture is true for the gains from the Toronto accord. To date, only 17 African countries have benefited from the scheme. In 1989, savings on interest payments for these countries amounted to $100 mn, less than 2 per cent of their total servicing bill.

New areas for action

The cancellation earlier this year of at least 50 per cent of debt owed by Poland and Egypt to Western official creditors, has increased calls for similar action for the poorer countries of Africa. As priorities for action, the UN Secretary-General's report calls for:

- Cancellation of all official bilateral debt.
- Cancellation of other semi-official debts, such as export credits.
- Ways to substantially reduce multilateral debt should be found.
- Commercial debts, which are already highly discounted on the financial markets, should be written down at commensurate rates and the remainder bought back through donor-supported initiatives, including various swap options.

Africa's debt burden
(external debt as a % of GNP, 1990)



Creditor countries are responding to such calls in a number of ways. Among new schemes proposed is one put forward by the UK — the so-called Trinidad Terms — which would improve on Toronto by immediately writing-off two-thirds of eligible debt, as opposed to one-third under Toronto, and rescheduling the remainder over 24 years. A Dutch scheme proposes cancelling all the aid debt of the least-developed countries, two-thirds of which are in Africa. The Paris Club of Western official creditors is now actively considering the Trinidad proposal, but leading Western countries at their July economic summit in London failed to reach agreement on further debt relief along Trinidad lines.

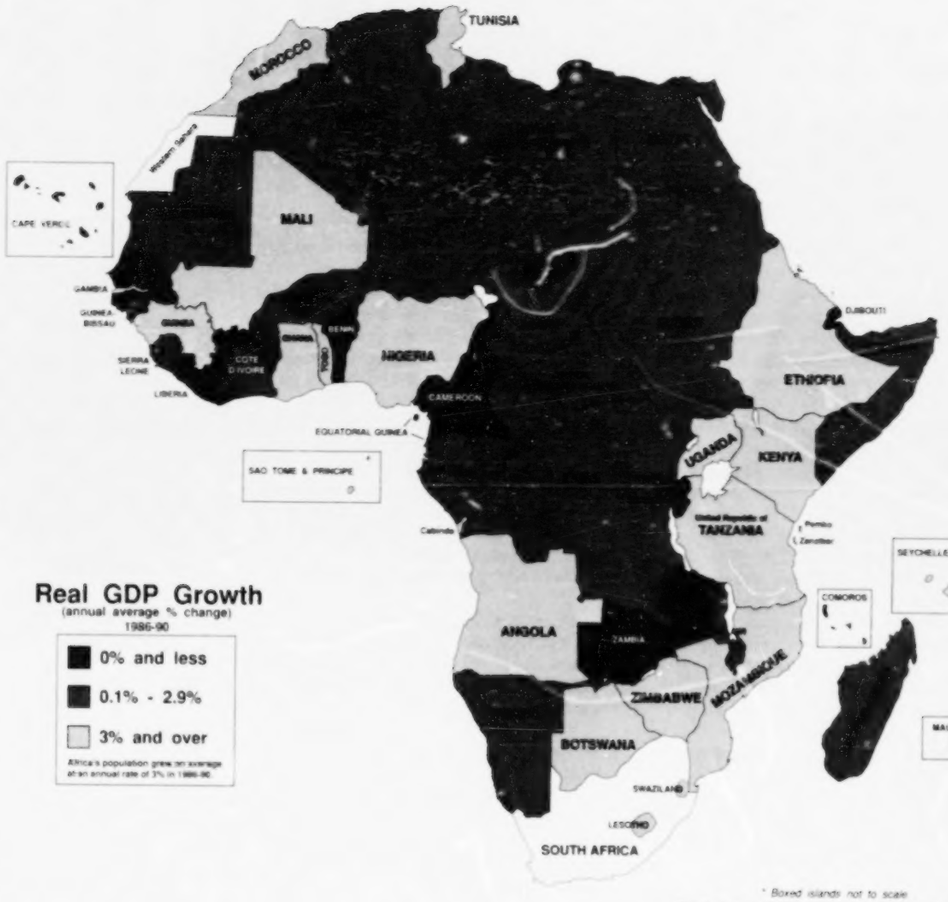
Even if the new schemes were implemented, there would still be need for further action. The Trinidad Terms, for example, require the exports of most eligible African countries to grow by at least 8 per cent a year — a very difficult rate to achieve — if the debt service ratio is to be reduced, on average, to a more manageable 20 per cent, UN Conference on Trade and Development (UNCTAD) estimates show. African countries, as well, have called for an end to linking debt relief to the adoption of IMF/World Bank programmes. ■

Real debt relief so far accruing to Africa has been marginal. Savings from the Toronto accord amount to less than 2 per cent of the countries' total servicing bill.

Based on information from the UN Conference on Trade and Development (UNCTAD), World Bank, and other sources.

AFRICA'S GROWTH RECORD

1986-90



Real GDP Growth
(annual average % change)
1986-90

- 0% and less
- 0.1% - 2.9%
- 3% and over

Africa's population grew on average at an annual rate of 3% in 1986-90.

* Boxed islands not to scale

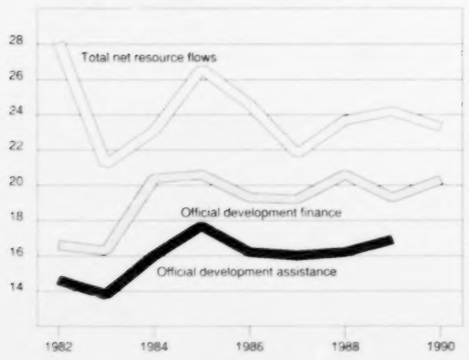
The boundaries and names shown on this map do not imply official endorsement or acceptance by the United Nations.

MAP NO. 3643 UNITED NATIONS August 1991

COMPACT FOR COOPERATION

Indicators of the development challenge facing Africa

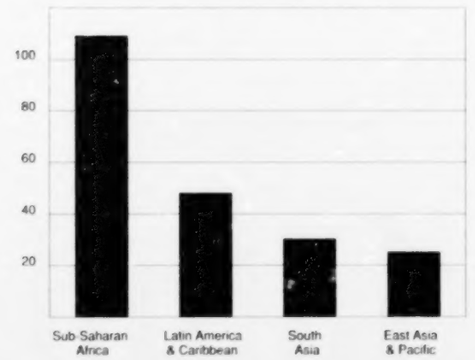
Net resource flows
(at 1986 prices and exchange rates, $ bn)



Net resource flows covers all public and private loans, grants and investments, minus repayment of principal (but not of interest, dividends and charges). Official development assistance is the major element in official development finance, which in turn constitutes the bulk of net financial flows.

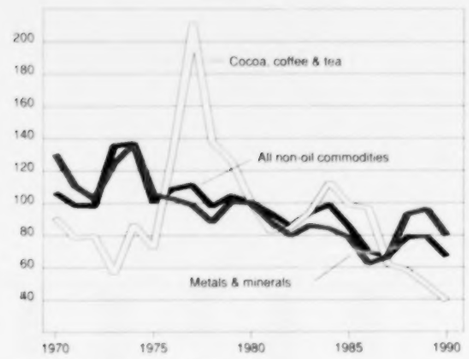
Source: UN Africa Recovery from Secretary-General's UNPAAERD report

Africa's debt burden
(external debt as a % of GNP, 1990)



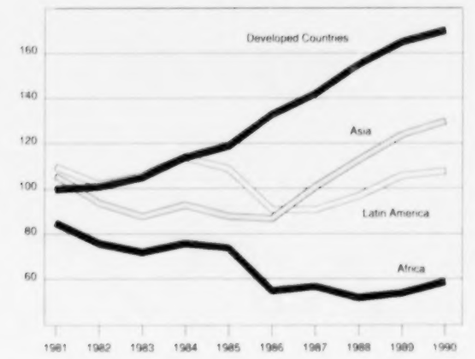
Source: UN Africa Recovery from World Bank data

Real non-oil commodity prices
(1980=100)



Source: UN Africa Recovery from IMF data

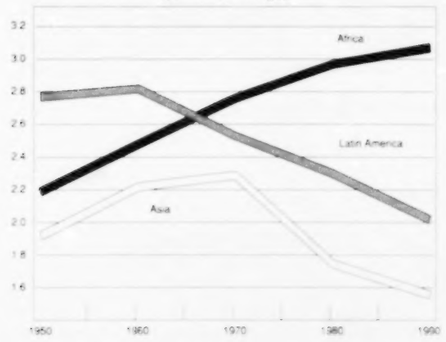
Purchasing power of exports
(1980 = 100)



Source: UN Africa Recovery from UNCTAD data

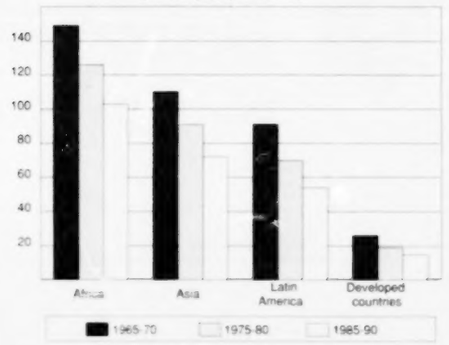
August 1991

Population growth rates
(annual % change)



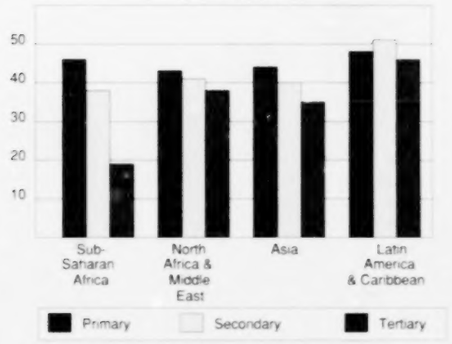
Source: UN Africa Recovery from UN data

Infant mortality rate
(deaths per 1,000 births)



Source: UN Africa Recovery from UNICEF data

Females in total school enrolment
(% share, 1988)

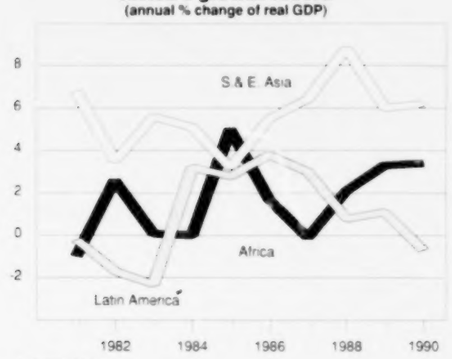


Source: UN Africa Recovery from UN data

Per capita food production
(1979-81 = 100)

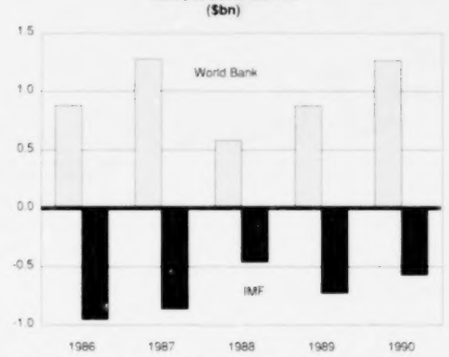
Source: UN Africa Recovery from FAO data

Africa's growth record
(annual % change of real GDP)

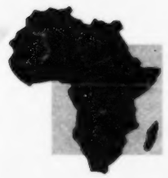


Estimates for 1990
Source: UN Africa Recovery from UN data

Net transfers to sub-Saharan Africa
IMF/World Bank
($bn)



Gross disbursements (purchases) minus repayments (repurchases), interest and charges
Source: UN Africa Recovery from World Bank/IMF data



Africa Recovery
Fact Sheet

F O O D

Agriculture, and the specific goal of attaining food security on the continent, has been one of the foremost priorities of the UN's Africa Recovery programme. Both UNPAAERD and Africa's own economic action plan, which preceded it, urged African governments to devote between 20-25 per cent of public investments to this sector.

During the UNPAAERD period the majority of African governments shifted more resources towards agriculture and began the implementation of far-reaching reforms — liberalizing trade and boosting price incentives to farmers, in particular.

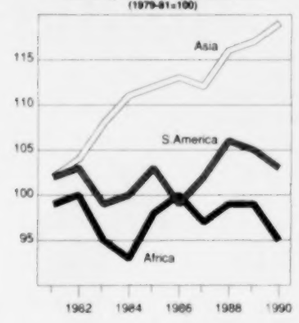
These reforms have had some effect in boosting overall output. But in per capita terms Africa's production picture is very different.

- Between 1986-90, agricultural production grew annually by some 3 per cent, virtually double 1980-85's 1.6 per cent average.
- No less than 34 African countries have experienced a decline in per capita food production since 1986. The UN Food and Agriculture Organization (FAO) index of food production per capita, which stood at 100 for 1979-81 and again in 1986, was an estimated 95 by the end of the programme.
- The UNPAAERD years continued to see a steady decline in Africa's self-sufficiency in food, under way since the early 1960s. The ratio of food supply to consumption requirements, which stood at 92 in 1980, was estimated at 85 in 1990.
- Africa was the only continent to experience a fall in dietary energy supply during the 1980s, after a long period of slow growth. Daily calorie intake per head declined from 2156 in 1980 to 2122 in 1987 and remained stagnant through 1989.

Twenty-four African countries report earmarking 20-25 per cent of public investment for agriculture. Some 80 per cent of African countries have adopted emergency food policies and 60 per cent report improved food storage facilities. Half of African countries have instituted early warning systems to detect emerging food shortfalls and 40 per cent have strengthened their agricultural research efforts.

These efforts have yielded some results. Fourteen countries, for example, report benefits from raising investment levels and improved food storage. Such reforms, combined with better weather conditions, help to explain the rise in output from 1986. Recovering from the famine years of 1984-85, the growth in African cereal production bettered that of South America for much of the UNPAAERD period and compared favourably — except for 1987 — with Asia's steady expansion of output. Non-food production performed even better, with the rate of growth improving from 2.5 per cent during 1980-85 to 3.2 per cent in 1986-87. Production of export crops such as cocoa, cotton and sugar, all rose during the second half of the 1980s.

Per capita food production
(1979-81=100)



Despite more resources being devoted to the agricultural sector, Africa's food import bill has remained high as population has continued to expand, accounting for close to 20 per cent of export income for much of the 1980s. Encouragement of the domestic food sector has sometimes been undermined by the low price of imported cereals. Tens of billions of dollars in subsidies have enabled large exporters such as the United States and the European Community to land wheat in North and West Africa at well below the production cost of locally-grown grains. Production of other commodities, such as vegetable oils and beef, have been similarly affected by the agricultural policies pursued by industrial countries, where a combination of subsidies and

protectionist barriers has had the effect of discouraging an expansion of production for export in some areas.

Efforts to boost food production for the local market may have been constrained in some areas by extra investment going into the export crop sector. Where food production has been raised, its cost to the urban consumer, with the general removal of subsidies, has often risen sharply in comparison to average earnings.

Most African countries remain highly vulnerable to famine. Despite many reforms, African farming remains essentially a rain-fed system, open to the vagaries of the weather, subject to natural disasters such as floods and with a quarter of African countries afflicted by insect infestations — particularly locusts — and crop diseases. To this susceptibility to external factors must be added protracted civil unrest in many areas which has been equally destructive of food output.

The use of food aid has therefore stayed high throughout the UNPAAERD period, averaging some 5.5 million tonnes a year. The fact that half the countries of the region have instituted early warning and emergency systems is helping in some regions to ensure food supplies are more readily available to meet sudden crises. But much more still needs to be done in stockpiling — with more international support — better regional coordination and vastly improved transport and logistics networks. By mid-1991, an estimated 30 million people were again facing starvation. Food aid needs, at some 5.7 million tonnes, were close to the highs recorded during the 1984-5 famine (see table).

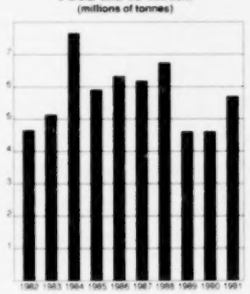
Despite greater investment in agriculture, no less than 34 African countries have experienced a decline in per capita food production since 1986.

Priorities for the 1990s

The needs of Africa's food sector are many and varied:

- The sector needs further resources. Despite agriculture accounting for a quarter of GDP, some countries still devote less than 10 per cent of their budgets to it.
- Productivity has to be raised. Increased yields contributed a mere 0.1 per cent of the average 1.6 per cent increase in output during the 1980s. Improved inputs — fertilizer use is a mere 12 kilogrammes a hectare — is one area for urgent action, requiring more resources and better delivery systems, particularly to women, who are primarily responsible for cultivation but who too often are ignored in programmes designed to boost food output.
- Big steps have been taken in improving price incentives, but still more needs to be done. Many improvements in price incentives to farmers have been undermined by the rising cost of inputs when subsidies are removed.
- Investment in transport infrastructure is also urgently required. In many cases successes in raising output have been turned into failure because of the lack of means — roads, fuel, spare parts — to market the crops quickly and efficiently.

Food aid to Africa
(millions of tonnes)



The above efforts have to be coupled with action to halt and reverse environmental degradation. In the past, most of the growth in food production has been achieved through expansion of the area under cultivation, which in some regions represents a threat to the natural environment.

Finally, Africa's own efforts need the support of the international community, both in terms of increased aid and investment and a more favourable trading environment which will encourage rather than undermine efforts to boost domestic food production. Efforts under way in the General Agreement on Tariffs and Trade's "Uruguay Round" of trade talks to liberalize international trade in agriculture offers the chance to boost agricultural production in Africa, though it also could have a number of adverse effects, not least rising prices in the short run. ■

Based on information from the UN Food and Agriculture Organization and other sources.

Africa Recovery
CPMD/DPI
United Nations

August 1991

INDUSTRY

Africa's plans for widespread industrialization in the continent have been a major casualty of the years of economic crisis, although a few countries have registered notable successes. These plans were articulated in the 1980 Lagos Plan of Action, with the overall goal of achieving regional self-reliance in a number of core industrial sectors by the end of the century. Efforts to implement such a strategy through the first Industrial Development Decade for Africa (IDDA), 1981-1990, however, have been knocked off course; first by the severe economic downturn in the early and middle part of the 1980s and then subordinated to the greater priority of reviving Africa's agricultural sector. While African countries did not abandon the long-term goals of the Lagos Plan, the adoption in 1985 of Africa's Priority Programme for Economic Recovery and, in the subsequent year, UNPAAERD, also saw a shift in the resources available — already constrained by economic crisis and the measures adopted to stabilize economies — towards agriculture, rehabilitation and, latterly human resource development.

- During the 1980s, manufacturing industry's share of Africa's economic output — measured by its share of gross domestic product (GDP) — rose only marginally, from 8.9 per cent in 1980 to 10.5 per cent in 1990.
- Capacity utilization rates in most industrial sectors remained low throughout the decade — averaging 30-40 per cent of installed capacity. One integrated steel plant in Africa had an average capacity utilization rate of 2 per cent.
- Investment, particularly in the core sectors identified in the Lagos Plan, failed to materialize. Much of the investment in place has performed very poorly. The record of public industrial enterprises — which dominated the industrial sector in many countries — has been extremely disappointing. The great majority have been run at a loss and consequently have proved to be a drain on central budgets.
- Private investment flows fell from $6.7 billion in 1986 to only $3.5 billion in 1989.

Manufacturing value added — the total value of manufactured goods, minus the cost of some inputs, such as raw materials — picked up marginally during the UNPAAERD period, averaging growth of some 2.7 per cent a year. Some countries, such as Mauritius, Tunisia and towards the end of the decade Lesotho, have registered significant rates of growth in manufacturing output. However, more typically the increase in industry's share has often been only a larger proportion of a stagnant or declining output. In per capita terms, manufacturing value added, which rose in real terms from some $52.75 in 1980 to slightly under $58 in 1986, fell back to $57.34 a head in 1990, according to UN Industrial Development Organization figures. Falling formal sector employment during the UNPAAERD period is another manifestation of the severity of the decline in the sector, which has led some to claim that the region is experiencing "de-industrialization." This view has been reinforced by the trend during the 1980s towards an increase in the already heavy dependence on raw material exports discernible in a number of African countries (see Commodity factsheet), as well as by concern that trade liberalization measures being adopted in many countries could threaten many of Africa's infant industries.

Manufacturing value added in Africa
(annual % change)

A key part of Africa's industrial sector is agro-processing enterprises. These account for at least half of the region's manufacturing value added. In some countries, agro-processing's share of industrial output is as high as 90 per cent. The

sector was an important element in both the Lagos Plan and UNPAAERD, as well as in many structural adjustment programmes. The latter part of the decade saw a determined effort to stimulate growth in this sub-sector through more liberal operating conditions and the reduction or elimination of government ownership and control. Added to this, have been efforts to develop new small- and medium-scale enterprises, using local raw materials.

In theory, the reliance of agro-processing on domestically-generated raw materials should mean that it is less susceptible to the foreign exchange constraints which have left most other industrial sectors bereft of needed inputs. The sector should also be less dependent upon foreign technology and capital — another major constraint on industrial development in Africa.

In practice, however, the performance of the agro-industrial sub-sector has fluctuated widely. Highly dependent on the fortune of domestic agriculture for its inputs, the sector has tended to follow the ups and downs of the larger sector. In addition, it has been as susceptible as other sub-sectors to inappropriate or poorly conceived economic policies and inadequate financial infrastructure.

Demand for its goods has also been constrained: domestically, by falling living standards, which has meant that many cannot afford processed food; and internationally, where access to markets has been limited through a combination of intense competition and the general level of protectionism that still exists on processed agricultural goods.

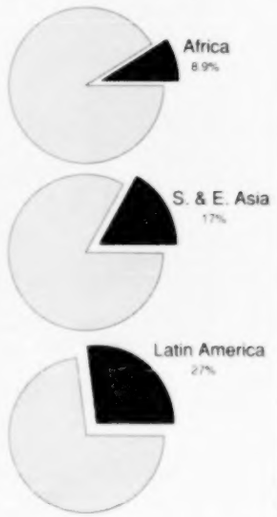
In per capita terms, the value of African manufacturing output during the UNPAAERD years remained unchanged.

Priorities for the 1990s

A strategy to reverse the industrial decline of the 1990s has been spelt out in the second Industrial Development Decade for Africa. While retaining the self-reliance goals articulated in the Lagos Plan of Action, the latest IDDA reflects the lessons of the past, as well as present priorities.

- Reflecting the importance of agriculture in overall development plans, industrial priorities continue to focus on food-processing and other agro-industries, as well as the rehabilitation and regeneration of existing industries.
- Great importance is attached to the overall economic policy environment — to encourage both private and foreign investment — along with the need to strengthen physical and institutional infrastructure.
- Efforts are needed to promote African entrepreneurship. This is part of a wider strategy to boost human resource development which, for the success of any industrial strategy, will require the more specific tasks of improving management and technical skills, as well as the development of marketing expertise.
- It is envisaged that public enterprises will continue to fulfil a role in Africa's industrialization plans, but their performance will have to be improved.
- Efforts to develop Africa's industrial sector are crucially dependent upon initiatives, now under way, to foster intra-African trade, particularly in foodstuffs. Implementation of trade liberalization among members of Africa's regional economic communities, along with efforts to develop novel ways of financing this exchange of goods, are a necessary adjunct to many national industrial developments plans.
- Where such plans also envisage the export of goods on to the world market, they will also need to be complemented by a marked improvement in Africa's access to industrial country markets, necessitating a rolling-back of many of the protectionist barriers presently in place.

Share of manufacturing in GDP
(1985, at constant 1980 prices)



Africa Recovery
CPMD/DPI
United Nations

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Based on information from the UN Industrial Development Organization and other sources.

HEALTH

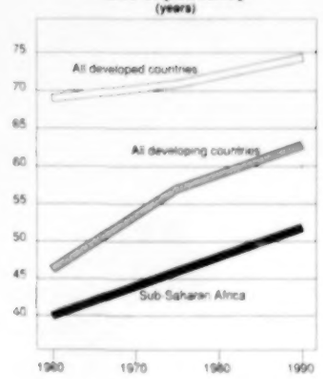
Africa Recovery
Fact Sheet

The average African can expect to live for only 53 years. This figure has been increasing steadily in recent decades, although it is still the lowest life expectancy in the world. At the same time, some diseases made a resurgence in Africa in the 1980s as health expenditures declined, with roughly two out of every three Africans now suffering from one or more debilitating diseases. The fact that nearly all these are preventable or treatable reflects the weakness of sanitation and health services in the continent, as well as the growing incidence of poverty which now affects half of all Africans. Such multiple health problems — the most widespread of any world region — are a legacy of persistent economic crisis, and of some of the policies adopted to overcome it.

The main causes of illness in Africa are infectious and parasitic diseases, which currently account for 47 per cent of all deaths. The leading diseases are:

- **Schistosomiasis (or bilharzia)** which affects over 140 million people in sub-Saharan Africa. Over 400 million Africans are at risk because of daily contact with untreated water through fishing, irrigated farming, bathing and washing, says the World Health Organization (WHO).
- **Malaria** causes some 90 million Africans to fall seriously ill annually, nearly 1 million of whom die, with roughly 250 million more also carrying malaria parasites in their blood.
- **AIDS** is potentially the biggest health problem for Africa, with nearly 6 million adults already carrying the human immunodeficiency virus (HIV), and over 1 million men, women and children expected to develop full-blown AIDS by early 1992 in sub-Saharan Africa. AIDS is rapidly becoming the leading cause of death for many age groups.
- **Acute respiratory infections** are among the main causes of death in all age-groups in Africa. HIV infection is expected to result in a resurgence of tuberculosis. Africans constitute 78 per cent of the 3 million people in the world suffering from both AIDS and tuberculosis.

Life expectancy
(years)



Other major diseases include lymphatic filariasis or elephantiasis (afflicting 28 million Africans); onchocerciasis, or river blindness (17 million); and leprosy (1-2 million); dracunculiasis or guinea worm and sleeping sickness (which are endemic in some areas). Frequent outbreaks of meningitis and cholera continue to occur.

Some 440 million Africans — over 70 per cent of the population — were afflicted by disease at one time or another during 1990. This forbidding fact comes against the background of a decline in real public health spending during the 1980s, and only a slight rise in its share of gross national product (GNP), at a time of growing need. In some countries, the share of health spending in GNP has actually fallen, by between one-third and one-half. There has also been a clear downtrend in per capita public health spending in real dollar terms, with the sub-Saharan average falling to just $3.50 a year by the end of the UNPAAERD period. In several countries, current levels of health spending are lower in real terms than in the 1970s.

The fall in direct health spending has hit basic social services that are already unevenly spread, despite some progress in overall coverage. Over the last decade, average access to safe drinking water rose from 83 per cent to 87 per cent in urban centres, and from 33 to 42 per cent in rural areas. During the same period urban sanita-

tion coverage rose from an average 65 per cent to 79 per cent, though from only 18 to 26 per cent in rural areas. This disparity contributes to the high incidence of disease and death in rural areas, where the majority of the population lives.

While the disparities within countries almost always show the deprivation of rural areas, the pressures of rapid urbanization in a period of falling spending on social services has resulted in worsening conditions in Africa's swelling cities. UNICEF figures show that capital spending on water and sewerage in Nairobi fell from $28 per capita in 1981 to $2.50 in 1987, and maintenance spending fell from $7.30 to $2.30. In Dar-es-Salaam, per capita spending on urban social services fell by 11 per cent a year between 1978 and 1987. And in Dakar in the 1980s, some 68 per cent of the population relied on public standpipes for water.

Another example of internal disparities is the uneven distribution of access to medical services, even in urban areas. According to UNICEF, people in Abidjan living near hospitals had a ratio of one doctor for every 7-800 people, while the rest of the urban poor located in areas without hospitals had a ratio of one doctor for 77-80,000 people.

Africa has continued to make important gains in two key areas of health: life expectancy and infant mortality.

The inadequate coverage of water and sanitation services in both rural and urban areas is a major factor in the transmission of infectious and parasitic diseases, such as diarrhoea, typhoid, trachoma, intestinal worms, as well as other water-borne diseases such as bilharzia and guinea worm. This latter disease incapacitates victims for up to three months a year. A study conducted during the rice harvest in four Nigerian states estimated the cost of labour lost to guinea worm at $20 mn.

Priorities for the 1990s

Specific efforts to eradicate guinea worm cut its incidence in Nigeria by 39 per cent in 1990. This is an example of what can be achieved through targeted interventions. However, the overall constraints on African economies indicate that public spending will remain limited for some time to come.

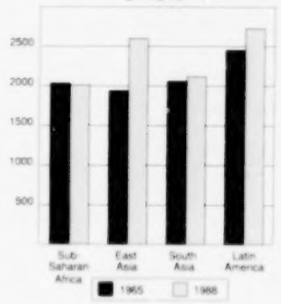
- According to WHO, Africa's health problems could be eased by using existing resources more effectively, not only to maintain current services, but especially to target rural populations where the incidence of poverty and disease is the highest, but access to health and other social services is the lowest.

- WHO has emphasized the need for Africa to make further progress in primary health care, paying greater attention to strengthening the operation and management of health care delivery at district and local levels. Special attention needs to be paid to the peripheral areas of cities in which over half the total population of Africa will be living by the year 2000, and also to the prevention of AIDS, a disease already adding enormous strain to already overburdened health services.

- African governments have themselves laid the basis for progress. African states have declared their intention of achieving faster implementation of the strategy of "Health for All Africans" adopted at the Organization of African Unity in 1987. The Bamako Initiative of 1987 has also involved some 27 countries in various stages of developing community self-financing of primary health care through provision of essential drugs and recovery of their cost.

- WHO has also called for a new level of international assistance and cooperation in a "lasting partnership of solidarity for health," with a larger share of development aid earmarked specifically for Africa's health needs.

Daily calorie supply
(per capita)



Based on information from the World Health Organization, UNICEF and other sources.

Africa Recovery
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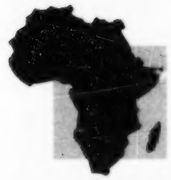


CHILDREN

Africa Recovery
Fact Sheet

Despite substantial progress in aspects of child welfare in the 1980s, Africa's continuing economic crisis, coupled with civil strife and natural disasters in many countries, resulted in setbacks by the end of the decade, and even reversals of earlier gains. Africa has the youngest and fastest growing population in the world — some 47 per cent of Africa's 640 million people are aged under 15. It is also the only region where poverty is expected to increase in the 1990s. The implications for children are, therefore, particularly serious. Indicators of the crisis for Africa's children include the following:

- Africa still has one of the highest under-5 mortality rates in the world, with over 4 million children dying every year in sub-Saharan Africa alone. It is the only continent where the number of child deaths is projected to increase during the 1990s, although the under-5 mortality rate has been cut by almost 45 per cent since 1960.

- About 29 million African children, or one-quarter of children under 5, are currently underweight, and the growth of some 39 million children (or 35 per cent) has been stunted by poor nutrition.

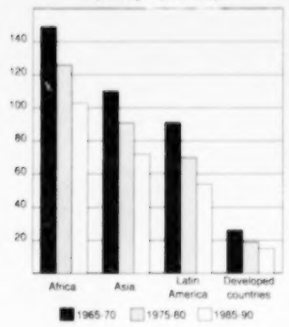
- By 1989, the proportion of Africa's pre-school children suffering from acute protein energy deficiency had risen to around 40 per cent from 25 per cent in 1985.

- Annual health expenditure in Africa is $3.50 per capita, the lowest for any world region. Nearly half of all Africans do not have access to any health services, with women and children the worst affected.

- Primary school enrolment rose dramatically during the 1970s, from 65 to almost 90 per cent for boys, and from 44 to almost 69 per cent for girls by 1980. Both these rates slumped by 7 per cent between 1980 and 1987 under the burden of economic crisis, which also lowered the quality of education.

- African children would have greater chances of survival and healthy growth if more African women were literate. But women predominate among the 60 per cent of Africa's population that is illiterate, and according to UNESCO, of the 14 countries in the world with female illiteracy rates above 80 per cent, 10 are in Africa.

Infant mortality rate
(deaths per 1,000 births)



Despite weak infrastructure and often extreme economic constraints, Africa has made major progress in a key aspect of disease prevention: immunization. By 1990, nearly all African countries had established accelerated immunization programmes to combat the main child killer diseases —diphtheria, whooping cough, tetanus, polio, tuberculosis and measles. Immunization coverage in Africa overall has risen from under 20 per cent in 1980 to nearly 60 per cent today. North African countries have achieved almost 80 per cent vaccine coverage for children under 1. Eighteen out of 44 sub-Saharan countries reached 75 per cent coverage by 1990. Protection against diphtheria, whooping cough, tetanus, polio, and measles has reached almost 58 per cent of under-1 year olds in eastern and southern Africa.

However, Africa's deep economic crisis is raising doubts about the sustainability of even the relatively inexpensive immunization campaigns. These doubts come against a background of continued cuts in government spending in many African countries, with per capita spending on health and education falling in absolute terms and, in several countries, as a percentage of gross national product. Food sub-

sidies, health care, education, water supply and sanitation have often been the first targets of austerity budgets. The result has been stagnation if not reversal in some key social indicators.

There is now a general standstill in infant mortality rates where they had been falling in many countries. Similarly, literacy rates which had been rising rapidly for 20 years, are stagnant or in decline. Acute respiratory infection — principally pneumonia, pertussis and lung complications from measles — causes some 1.5 million childhood deaths every year. Diarrhoeal diseases also lead to some 1.5 million deaths in children under-5 years old. Low-cost oral rehydration therapy (ORT) has proven capable of greatly reducing diarrhoeal deaths, which include cholera, and result mostly from dehydration. But maximizing the usage of ORT also depends on increasing the efficiency of hard-pressed health services.

The disturbing trends in social indicators in Africa early in the decade had led to growing domestic and international concern over the need to protect social services during the structural adjustment process. By mid-decade, the campaign by UNICEF for "adjustment with a human face" gained ground as more evidence was recorded of extreme social hardship in a score of African countries.

Although the "human face" concept has become widely accepted, little more than palliative measures have been achieved, and if current trends continue, Africa will suffer 40 per cent of global infant and child deaths by 2000, up from 15 per cent in 1950 and 30 per cent in 1986.

This prospect is worsened by AIDS, which could raise infant and child mortality rates in some African cities by 50 per cent by 2000, according to the World Health Organization (WHO). Already, one in 10 people in East and Central Africa with AIDS is a child under 5 years old. By 1992, roughly 1 million African children will have been born with HIV infection and the 600,000 of them developing AIDS-related illnesses will most likely die before they reach the age of 5. Adult deaths from AIDS could also produce between 5-10 million orphans by the year 2000.

Wars, civil strife and natural disasters have also aggravated the hardships of millions of African children who, with women, comprise the majority of Africa's refugees and displaced people. UNICEF estimates that infants and young children accounted for 1.2 million out of over 1.9 million deaths in southern Africa during the 1980s caused by war and its socio-economic effects. Rising malnutrition among children in several African countries has also struck hardest in war and drought-affected zones, with between 40 and 60 per cent of Ethiopians aged 1-3 years and 40 per cent of Mozambicans aged 1-2 years reportedly malnourished.

Despite weak infrastructure and often extreme economic constraints, Africa has made major progress in a key aspect of disease prevention: immunization.

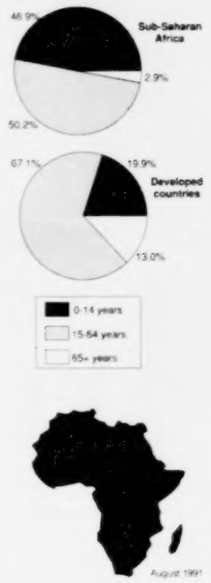
Priorities for the 1990s

Confronted by persistent socio-economic crises, more African countries have begun to emphasize primary health care in order to address the urgent needs of women and children in both urban and rural areas. Beginning with the Bamako Initiative drawn up by African health ministers at a 1987 WHO conference in Mali, some 27 African countries are at various stages of integrating a range of preventive health services — including child immunization and pre- and post-natal care — in a decentralized system of community involvement in the financing, management and delivery of health care.

African countries, in greater numbers than any other world region, have also strongly endorsed the UN Convention on the Rights of the Child which became international law on 2 September 1990. Its targets for the end of the 1990s include: cutting child deaths by one-third; halving maternal deaths and malnutrition; eradicating neo-natal tetanus, polio, and guinea worm disease; provision of safe water and sanitation for all families; and ensuring basic education for all children, with 80 per cent completing primary school.

UNICEF estimates that the targets for the 1990s can be met at a cost of $7 bn a year, half of which must come from within Africa. In order to generate such funds, many argue that Africa needs greater debt relief, with UNICEF declaring that for the past decade, "the welfare of millions of African children has been mortgaged against a mountain of debt." The net gain of achieving the targets would be 18 million young lives saved, and an equal number spared the disabilities resulting from childhood diseases. Deeper debt relief, higher aid flows and other international interventions are now widely seen as crucial in supplementing African initiatives and stopping the continent's downward spiral into a health catastrophe for its children. ■

Africa's young population
(1990, % share)



August 1991

Africa Recovery
CPMD/DPI United Nations

Based on information from UNICEF and other sources.

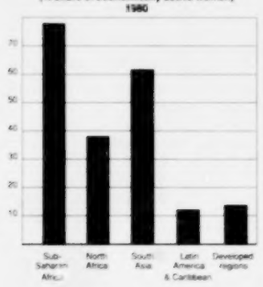
WOMEN

Africa Recovery
Fact Sheet

The 1980s brought a sharp deterioration in the social and economic status of African women. Women have been at the epicentre of the economic crisis; demands on them as producers have risen dramatically, while at the same time they have borne the brunt of the cuts in social spending which have accompanied the efforts of most countries to adjust. Compounded by drought, civil strife and rapid population growth, many of the gains made by women in the last 30 years have been eroded and in some cases sent into reverse by Africa's crisis.

- The UN estimates that by 1995, some 260 million out of 400 million Africans living in poverty will be women.
- Maternal mortality rates rose in many parts of Africa during the 1980s. With over 150,000 deaths each year, Africa, along with southern Asia, has the highest maternal mortality rate in the world — well over 600 per 100,000 live births, compared with under 75 per 100,000 in developed regions. To this must be added a further 2-3 million women left handicapped or crippled from obstetric complications every year.
- The use of contraceptives has increased, but less than 30 per cent of African women practise contraception. At 6.2 births per woman, fertility rates in Africa are still the highest in the world.
- Nearly two-thirds of pregnant women are anaemic, as are half of non-pregnant women. Cuts in health services have had dramatic and immediate repercussions on women's health. At least 14 African countries experienced a deterioration in female nutrition or health during the first half of the 1980s. At least five African countries report a decline in female life expectancy.
- AIDS is now the leading cause of death for women aged 20-40 in some major cities of sub-Saharan Africa.
- Africa, along with Asia, still has the widest gap in literacy rates between men and women. In rural areas, as much as 94 per cent of women cannot read or write. Even with general illiteracy rates falling, the number of illiterate women will continue to rise. Female enrolment rates at the primary level have declined in 11 African countries. Secondary school and advanced training enrolment rates have also fallen in many countries. Only in North Africa have significant gains been made in women's education in recent years.

Women in agriculture
(% share of economically active women)
1980



The social dislocation created by years of economic crisis has particularly affected women. African women have traditionally played a predominant role in cultivation, as well as carrying out other economic activities. UN figures show that African women are second only to those of Eastern Europe in the length of their working week if unpaid domestic work is taken into account — over 65 hours a week. The gap with the average hours worked by African men is also one of the widest — some 12-13 hours a week.

In sub-Saharan Africa, just under 80 per cent of economically active women engage in agriculture (in North Africa, the figure is less than 40 per cent). Large-scale urban migration, predominantly by male members of the family, has further accentuated women's role in food production. The majority of the food producers are women, yet

they form only 2-10 per cent of the outreach of agricultural extension schemes. Credit schemes, extension services and other centralized efforts to improve agricultural production have tended to ignore women.

Figures on employment suggest that the share of African women of working age actually economically active is declining. In sub-Saharan Africa, fewer than half of women aged 15 and over were reported economically active in 1990, compared with over half, 20 years earlier. Such figures reflect the underestimating of subsistence, household and other informal sector activities and a consequent bias towards measuring employment in the formal, modern sector. One suggestion arising from these figures, however, is the sharp loss of employment opportunities women have suffered in such formal sector employment, as the economic downturn and austerity programmes closed down factories and offices. In Africa, less than 10 per cent of economically active women are engaged in wage employment.

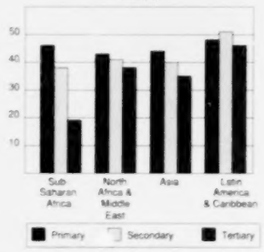
With access to the formal sector narrowed, women have increasingly been thrown back into the riskier, sometimes less remunerative informal and traditional sectors to meet their growing economic responsibilities. The 1980s have seen an increase in female-headed households across the continent. On average, one in five African households has a woman at its head. In some countries the figure is much higher. In Botswana, almost one in two households is headed by a female.

During the UNPAAERD period a number of countries report efforts to improve the political and economic status of women. Nearly 80 per cent of countries have taken specific measures to enhance the role of women in development. Nineteen countries reported positive results from the creation of government departments and units for women's affairs, new legislation assisting women and from the growing involvement of women in politics.

Women's parliamentary representation in sub-Saharan Africa, for example, has increased — from 5 per cent in 1975 to 8 per cent in 1987 — but still remains inadequate, given that women comprise just over 50 per cent of Africa's population. In North Africa, women's representation has also made some progress since the mid-1970s, but with an even lower share of parliamentarians. African women make up 13 per cent of legislative officials, government administrators and managers. But where there are women ministers, they tend to hold such portfolios as culture, social welfare, education and women's affairs. Defence, finance and economic policy, internal and foreign policy still remain the stronghold of men.

Women have been at the centre of the continent's economic challenge; demands on them as producers have risen dramatically, while they have also borne the brunt of cuts in social spending.

Females in total school enrolment
1988 (%)



Priorities for the 1990s

There are clearly major gaps in policy which prevent women from realising their full potential. If equitable, sustainable development is to be achieved, women must have political, social and economic equality in practice as well as theory. Africa's programmes for economic transformation need to invest more in women. As the principal actors in Africa's priority sector — agriculture — women have to be assured of the resources to meet the urgent needs of improving productivity and raising output.

This means ensuring better access for women to extension services, credit and improved marketing systems. In addition, more training has to be provided for women in all the productive sectors of the economy.

Women — and children — must be the major focus of efforts to reverse the deterioration in social services, especially in education and health care. Existing cultural restrictions on women, which contribute to discrimination against them in education and employment, must be overcome if women are to assume their rightful place in the mainstream of the development process. In a continent striving for balanced and integrated socio-economic development, women must clearly have equal access to opportunities — and equal reward. ■

Based on information from various UN agencies

Africa Recovery
CPMD/DPI
United Nations

August 1991

POPULATION

Africa Recovery
Fact Sheet

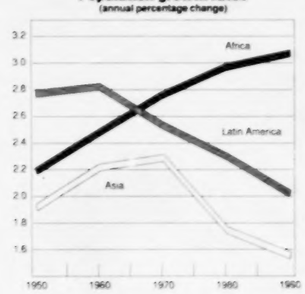
Africa's population is growing faster than in any other region of the world. Moreover, its rate of increase has continued to accelerate. Elsewhere, growth rates are falling. By the end of the century Africa's population, numbering some 481 million in 1981, will have almost doubled to over 800 million. Already, nearly half the continent's population is below the age of 15.

At the same time as this rapid rate of increase, the continent continues to have the highest mortality rates in the world, although overall death rates have generally declined during the 1980s.

- Africa's annual growth rate of some 3 per cent (1985-90 average) is the highest of any region in the world. It compares with averages of less than 2 - 2.5 per cent in Asia and Latin America.
- Population growth rates exceeded economic growth rates in 32 African countries in the 1980s. In only eight countries — Botswana, Burundi, Cameroon, Congo, Egypt, Lesotho, Seychelles and Tunisia — was economic growth consistently higher.
- Africa has the world's lowest life expectancy — 53 years. On average, an African child born in the first half of the 1980s could expect to live 14 years less than his or her counterpart in Latin America, 18 years less than a child born in East Asia and 25 years less than a North American born during the same period.
- As well as the highest birth and death rates in the world, Africa also has the highest fertility rate. On average, African women will give birth to six or more children; their counterparts in Latin America will have four, in Asia three and in developed countries only two.
- Nearly one quarter of African countries have a population of 1 million or less.

Africa's economic crisis during much of the 1980s, its heavy debt burden and, in many cases, the impact of structural adjustment programmes, have all made the implementation of an effective population policy more difficult. Many countries have been compelled to relinquish medium and long-term planning in favour of annual economic recovery plans in which a population component has often been lacking. Severe resource constraints and shifts in priorities have adversely affected investments in social sectors such as education and health, with direct consequences for efforts to reduce mortality rates and a more indirect impact on efforts to encourage family planning.

Population growth rates
(annual percentage change)



In many countries of central and eastern Africa thinly stretched health resources threaten to be overwhelmed by the consequences of the spread of AIDS among the population. Already nearly 6 million Africans have been infected with HIV, the virus that causes AIDS, the World Health Organization estimates. AIDS-related deaths could reverse recent progress in both adult and child mortality rates, and lead to a further fall in the share of the most productive age-group in Africa's population.

In many countries there has been a serious and prolonged breakdown in security, often coupled with widespread food shortages or outright famine. Africa, with some 12 per cent of the world's population, has more than half of the world's refugees.

In this situation, much of the hoped-for progress in slowing the rate of population increase, expanding family planning programmes and generally improving the health of the population has been less than anticipated, or in some cases actual-

ly regressed, the UN Population Fund (UNFPA) argues.

The relationship between population growth and development remains a complex and often controversial one. At the 1984 Second African Population Conference in Arusha, Tanzania, a consensus was reached that population is a major development issue. Since then, the majority of African countries have taken a range of measures to tackle perceived population problems.

- All countries — except for Djibouti, Equatorial Guinea, Gabon, Libya and Somalia — have established Mother and Child Health and Family Planning programmes aimed at reducing maternal and infant mortality rates.
- Nineteen African countries have programmes designed to reduce fertility rates as part of their development plans. Two, Gabon and Libya, have encouraged an increase in fertility rates.
- The majority of governments have taken some measures to try and reduce heavy migration to urban areas, or otherwise encourage a better distribution of population. Despite heavy migration in recent years Africa still has one of the lowest levels of urbanization, with only one in three people living in towns, against nearly one in two for the world as a whole.
- Total fertility rates remain unchanged in the majority of countries. Only in 12 countries, over half of them in North Africa, has there been a decrease.
- Death rates in all countries fell between 1980-85 and 1986-90. However, child and maternal mortality rates failed to show any dramatic fall.

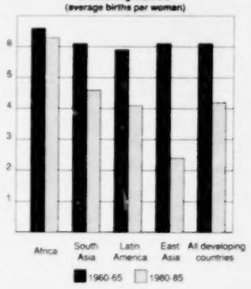
By the end of the century Africa's population, some 481 million in 1981, will have almost doubled to over 800 million.

The last has important consequences for population programmes. There is a close relationship between levels of fertility and infant mortality. It has been found that many developing countries begin to experience a significant decline in fertility rates when the under-5 mortality rate falls into the general range of 100-150 deaths per 1,000 live births. However, by the end of the 1980s more than 30 African countries had child mortality rates of 150 or higher, while less than 10 were close to or below 100 deaths per 1,000 live births.

Women's disadvantaged position with respect to education, employment, access to resources and decision-making power has also been a major obstacle for reduction in fertility rates and thereby population growth. Cultural resistance and lack of information on family planning methods and services continue to limit women's access, despite the majority of countries having adopted laws and policies to promote the status of women.

Some countries have succeeded in making progress. Botswana, Mauritius and Zimbabwe all report a high incidence of contraceptive use. Djibouti, Mauritius, Somalia and a number of North African countries have experienced falling rates of population growth in the second half of the 1980s.

Fertility rates
(average births per woman)



Priorities for the 1990s

Much remains to be done. In the majority of African countries there is still a dire need for demographic survey information, as well as socio-cultural research data, including changes in the status of women, UNFPA says. Demographic policies and implementing machinery need to be strengthened and fully integrated into longer term development planning. Public awareness of family planning services has increased, but more needs to be done, particularly in rural areas. With a few exceptions, government structures for formulating information strategies on population issues are non-existent. And above all there is an urgent need to increase the number of trained personnel and improve the health and family planning infrastructure in the majority of African countries. ■

Based on information from the UN Population Fund and other sources.

Africa Recovery
CPMD/DPI
United Nations

August 1991

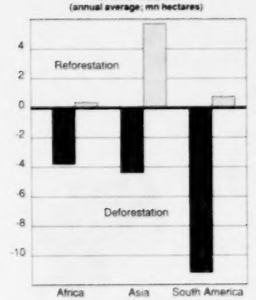
ENVIRONMENT

Africa Recovery
Fact Sheet

One of the priorities of UNPAAERD was to counter the impact of drought and desertification in Africa. However, many governments have been compelled to pay more attention to short-term management of their economic crisis than to long-term environmental protection. Under pressure to generate more foreign exchange, countries implementing structural adjustment programmes have increased production for export in their mineral and timber sectors, as well as greater production of export cash crops, such as groundnuts and cotton in Sahelian countries. Rapid population growth has also meant greater pressure on existing patterns of land use. The results have included inadequate replacement of renewable resources (primarily through deforestation), and the displacement of subsistence food farming and pastoralism onto more marginal lands, which then deteriorate further. The overall effect has been faster degradation of Africa's environment at a time of increasing awareness that its protection, as well as improved management of the continent's natural resources, is vital to sustainable development.

- Africa loses over 3.8 million hectares of forest every year, less than in South America and Asia. Africa's reforestation rate (9.2 per cent) is better than South America's but far worse than Asia's.
- By 1980, Africa was losing some 2.3 million hectares of open woodland a year (out of world losses of 3.8 million hectares). This rate probably increased during the 1980s.
- By the early 1980s, Africa had 37 per cent of the world's drylands (hyper-arid, or desert; semi-arid; and arid), and the rate of desertification appears to be accelerating. The worst affected regions centre on the Sahara, Kalahari and Namib deserts, and touch much of North Africa, West and Southwest Africa, stretching east to include Uganda, Kenya and Somalia.
- In 1989, half the African governments responding to a questionnaire from the UN Sudano-Sahelian Office said drought and desertification had become significantly worse since 1986 in terms of falling groundwater levels, drying up of surface water, rangeland degradation, deterioration of rainfed and irrigated cropland, and deforestation.
- At current trends, soil erosion could lower agricultural output in Africa by 25 per cent over the 1975-2000 period. Higher population density and pressure on land use has cut the average fallow period for cultivated land from 20-25 years to 5-10 years.
- Most Africans depend on wood (and charcoal) for household fuel. With a fuelwood deficit estimated at about 72 mn cubic metres in 1980, Africa's needs could double by 2000.

Deforestation & reforestation in the 1980s
(annual average, mn hectares)



When UNPAAERD was launched, Africa was just emerging from a period of drought, bushfires, famine and food shortages which affected half the continent. Civil strife, however, continued to generate large numbers of refugees and displaced people, putting additional strain on resources. With the return of widespread shortages of rain in 1990, and a projected increase in poverty during the 1990s, Africa is facing long-term problems for its people and its environment.

Virtually all African countries now have problems of varying degrees with defores-

tation, soil degradation and inadequate supply and distribution of water resources. Deforestation is continuing at such a pace that on average, only 9 trees are planted for every 100 that are cut down. In some countries fuelwood supplies will soon be exhausted unless massive replanting is undertaken.

The world is losing about 25 billion tonnes of topsoil every year, and in many regions, the rate of loss exceeds the rate of soil formation at least tenfold. North and Central Africa are among the areas of the world where cultivation of steep marginal lands, reduced forest and vegetative cover, and improper irrigation are expected to accelerate the rate of erosion and degradation of soils. The results that have already been observed include low crop yields, deterioration in the water retention capacity of soils, and falling soil fertility in a cycle of falling productivity and diminishing ability to sustain human life even as population growth increases demand for land and food.

Three-quarters of African countries have responded by developing policies of energy and natural resources management, while 10 countries now have specific policies for more efficient use of wood and charcoal, as well as for harnessing renewable energy sources. Efforts have also been made to encourage various techniques for soil protection and enhancement such as terracing, contour ploughing, crop rotation, and greater fertilizer use, as well as afforestation programmes (including fuelwood and community plantations). However, most African governments also lack financial resources to make sustained progress in the fight against desertification and other environmental degradation.

Priorities for the 1990s

A growing number of African countries are developing strategies and action plans for resource management, with help from multilateral donors. A particular focus is on developing information systems for national planning and decision-making through expanded hydro-meteorological networks, data processing and analysis, and their application to land use and agricultural practices. There is increasing emphasis on integrating land-use (including forestry, and pastoral rights), water resource development, and conservation, in a sustainable framework for long-term development.

National and international efforts are also aiming at strengthening regional organizations such as the Permanent Inter-State Committee on Drought Control in the Sahel in West Africa (CILSS), in East Africa, the Inter-governmental Authority on Drought and Development (IGADD), the Southern African Development Coordination Conference (SADCC), and the Preferential Trade Area for Eastern and Southern Africa (PTA). Other organizations include the International Institute of Tropical Agriculture, and the International Livestock Centre for Africa. These institutions all play a role in promoting afforestation, agricultural research, and the joint exploration and use of energy resources through training and research programmes on a regional basis.

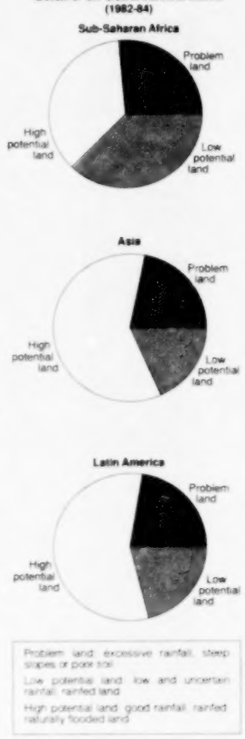
Further impetus for regional cooperation comes from the fact that large inland waterways already have intergovernmental organizations charged with managing and protecting natural resources, such as the Lake Chad Basin Commission and the Senegal River Development Organization. At national level, water resource management is receiving growing priority, with several UN agencies helping in improving rainwater collection and conservation.

The twin imperatives for Africa of protecting the environment and increasing agricultural output in a sustainable manner will require the conscious and active participation of local communities. There is a growing consensus that without them, national governments, non-governmental and international organizations will be unable to make the transition from isolated short-term projects to the long-term, integrated programmes for environmental protection that Africa needs.

International efforts are now geared towards tackling a broad agenda at the UN Conference on Environment and Development in Brazil in June 1992. With Africa already in deep economic crisis, and facing significant increases in both population and poverty levels, the continent has welcomed the joining together of the two issues of environment and development at the top of the international agenda, under the now common understanding that one cannot be resolved at the expense of the other. ■

Based on information from the UN Environment Programme and other sources.

Share of cultivated land
(1982-84)



Problem land: excessive rainfall, steep slopes or poor soil
Low potential land: low and uncertain rainfall, rainfed land
High potential land: good rainfall, rainfed naturally flooded land

August 1991

Africa Recovery
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United Nations

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Fact Sheet

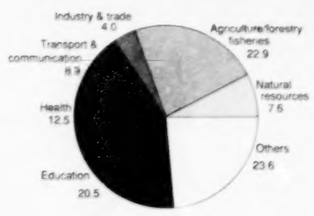
TECHNICAL COOPERATION

Africa's persistent crisis has raised fundamental questions about the effectiveness of foreign aid in promoting sustainable development. One area of particular concern has been technical cooperation, which takes up a quarter of all aid and is meant to develop national skills and transfer knowledge. While Africa has remained largely dependent on costly foreign experts and advice since independence, the "braindrain" of African expertise has continued, and even intensified during the 1980s, even as the continent's pursuit of self-sustaining development continues. Donors have acknowledged serious shortcomings in the costly aid programmes of the past 30 years. African and donor countries have also come to agree that aid would be more effective if Africans played a greater role in the design of projects and programmes, and in their implementation.

- A quarter of all aid to Africa from major bilateral donors is in the form of technical cooperation. Such aid to Africa from all sources is about $8 billion a year, according to the UN Development Programme (UNDP), the leading UN source of technical cooperation financing.
- These billions of dollars pay for the services of roughly 100,000 foreign consultants who are meant to transfer skills and knowledge to indigenous counterparts, assist in formulating and implementing policy, and in managing development programmes.
- At the same time, there are roughly 100,000 African professionals working in Western Europe and North America, while the skills of African professionals at home are often underutilized.
- The total salaries and overheads for these expatriate consultants approach and sometimes exceed the total civil service wage bill in some African countries.
- The overall costs of technical cooperation projects could be cut by 30-50 per cent if more indigenous consultants were used, says the World Bank.

Africa receives more technical cooperation than any other world region, taking, for example, 42 per cent of 1990 spending by the UN's Department of Technical Cooperation for Development, 40-45 per cent of the International Monetary Fund's current $40 mn annual budget for technical cooperation, and 40 per cent of UNCTAD's annual technical cooperation spending. Technical cooperation also took a higher proportion of World Bank lending to Africa than to any other world region during the 1980s. The biggest area of technical cooperation in Africa in 1988 — taking 23.6 per cent of the total— was also the least well-defined, involving broad policy formulation across sectors. This was followed by agriculture (22.9 per cent), education (20.5 per cent), and health (12.5 per cent).

Technical assistance to sub-Saharan Africa in 1988
(% shares; excl.Nigeria)



Major factors that have impeded the effectiveness of technical cooperation include the lack of planning and coordination, and the weakness of management. Donors have in some instances competed for the adoption of their own programmes and projects, leading to a multiplicity of consultants, duplication of effort, and sometimes conflicting advice. There has also been an increase in technical cooperation tied to structural adjustment programmes, which African countries see as a reduction of their policy options. They have also complained of a decrease in the quality of foreign experts. At the same time, African governmental structures for handling technical cooperation have usually been weak and inadequately staffed. These

problems have resulted in poorly designed and often short-lived projects that are badly coordinated, inadequately monitored, and produce intangible results.

Among the initiatives taken during the UNPAAERD period to improve the effectiveness of foreign aid, is the UNDP's National Technical Cooperation Assessment and Programmes (NaTCAP), which are designed to help strengthen domestic planning, coordination and management of technical cooperation within the framework of national development priorities and objectives. Some 30 African countries are at various stages of the NaTCAP process, and the evaluation and planning of current and future technical cooperation now form part of World Bank consultative group and UNDP roundtable meetings for African countries.

The UN and other multilateral organizations have responded to Africa's urgent need to develop human and institutional resources with projects and programmes for improved policy formulation and implementation. These include the Africa Initiative (co-financed by the UN and Japan); the UNDP's Management Development Programme, and its Special Action Programme for Administration and Management in Africa; the Amsco programme and the African Capacity Building Initiative (which link UNDP, the World Bank and the African Development Bank).

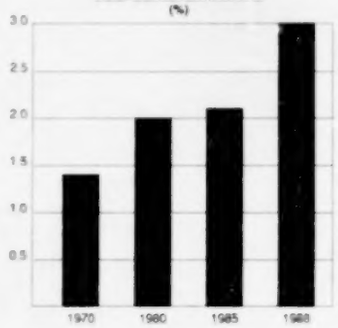
Another notable initiative is UNDP's Structural Adjustment Advisory Teams for Africa, involving assistance in macro-economic policy formulation. The UN's Department of Technical Cooperation for Development (DTCD) is also running several programmes in Africa monitoring the impact of adjustment programmes on the social and other sectors, as well as for human resource and investment planning.

100,000 foreign consultants work in Africa at a cost of $4-5 billion a year. Efforts are increasing now to employ more of the 100,000 African professionals working outside the continent.

One area of major effort is the promotion of technical cooperation between African and other developing regions, notably by DTCD, UNDP and the UN Conference on Trade and Development (UNCTAD). Greater South-South cooperation is seen as having vast but untapped potential, particularly in helping reverse the "braindrain" by making better use of local expertise. UNDP, for example, reports that it recruited 326 sub-Saharan African consultants in 1986, a number which grew to 1,269 by 1990. NaTCAPs can play an important role here, as they start out by gathering and evaluating data on technical cooperation needs and local capacities, and aim in the long-term to use indigenous expertise to the full. Improved planning and coordination of technical cooperation at the national level can also be applied to regional and South-South cooperation.

African institutions have also been developing regional initiatives in technical cooperation. The UN's Economic Commission for Africa maintains the Pan-African Development Information System (PADIS), which collects data useful for development activities, as well as updating every two years its directory of African experts and consultancy organizations. The African Development Bank has also made loans to sub-regional institutions to finance African bilateral investment ventures, and projects in one country that use goods and services from another African country.

Technical cooperation: rising proportion of GNP in sub-Saharan Africa
(%)



Priorities for the 1990s

There is broad consensus that the priorities for more effective technical cooperation include: greater emphasis on long-term institutional goals rather than short-term project goals; a more collaborative relationship, with African countries participating fully at all stages of design and implementation of technical cooperation; and a more cost-effective approach through the use of volunteers, non-governmental organizations, and twinning arrangements.

Other priorities include the improvement of management capacities in both public and private sectors; a more active role for women as partners and beneficiaries of technical cooperation; and greater reliance on periodic visits from short-term consultants and advisers, rather than long-term residential experts.

During the UNPAAERD period, African and donor countries have increasingly emphasized that technical cooperation must promote sustainable long-term development, while aid in general must invest more in human resources. In view of Africa's continuing crisis, as well as the uncertainty of future foreign aid flows, there is a consensus on making faster progress in enabling Africa to train its personnel more fully to meet the recurrent challenges of development. ■

Africa Recovery

CPMD/DPI
United Nations

August 1991

Based on information from UNDP and other sources.

Africa Recovery

Fact Sheet

NGOs

Non-governmental organizations (NGOs) played a vital role in African recovery efforts during the UNPAAERD period, their humanitarian focus and grassroots presence making them indispensable to Africa's development. The growing role of NGOs reflected changing development priorities, with the emphasis shifting away from large-scale capital projects towards an approach which is more people-centred and more concerned with enabling the development of "human resources" — an approach in which NGOs, both in the North and in Africa, have gained considerable experience and insight. The UN Special Session on Africa in 1986, which representatives from more than 200 African and Northern NGOs attended, played a catalytic role in facilitating the emergence of African NGOs on to the world stage, and in giving enhanced credibility and legitimacy to the emergent African NGO community.

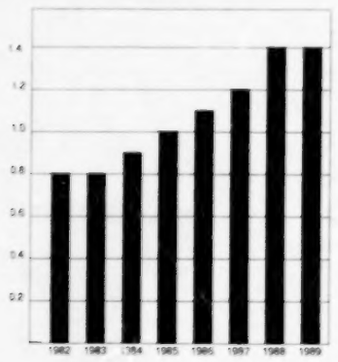
- Indigenous African NGOs built up considerable experience of effective people-focused development projects and programmes. Their capacity to foster popular participation and mobilization for development enabled them to contribute significantly to the formulation and implementation of development policies, particularly those oriented towards the poorest groups.

- Financial flows from Northern NGOs became an increasingly important element of the total resource picture for Africa during the UNPAAERD years. According to the Organization for Economic Cooperation and Development (OECD), net grants from NGOs rose from less than $1 bn in the first half of the 1980s to $1.4 bn in 1989, more than half of total private flows to Africa.

- In addition, in the latter part of the UNPAAERD period, Northern NGOs were channelling some $1.5 bn a year to Africa from public funds. In this period, some 45 per cent of total NGO-mobilized resources were going to Africa and, as grants, were contributing very positively to the region's resource gap.

- NGOs have been key players in responding to Africa's many emergencies during the 1986-90 period. Able, in many instances, to assist where inter-governmental agencies have been prevented from working, NGOs have contributed significantly in terms of food, medical support, shelter and other logistical services to easing suffering in regions devastated by war, famine or other natural disasters.

Net grants to Africa from NGOs
($bn)



The NGO contribution to Africa's recovery and development during UNPAAERD has been multifaceted: in addition to mobilizing resources for development projects and programmes in Africa and contributing humanitarian assistance in emergency situations, NGOs also played an influential role in donor countries, undertaking education and advocacy work which sought more responsive action by bilateral and multilateral donors to meet the development needs of African people. In this effort, the UN Non-Governmental Liaison Service (NGLS) played a vital role in facilitating NGO participation in UNPAAERD and also in keeping the NGO community abreast of the international policy dialogue on Africa.

In addition to mobilizing public opinion around such issues as aid flows and debt reduction, NGOs, both African and non-African, have frequently been the source of new insights on development policies and approaches. Through national, regional, international and multilateral processes, such as UNPAAERD, NGOs engaged in advocacy work in support of development policies and approaches which reflected

these insights. Priority issues for NGO work have included resource flows to Africa and Africa's debt burden, popular participation, African food security, women's contribution to Africa's development, peace issues, alternative sustainable development policies, improving the image of Africa in the North and responding to the political and economic marginalization of Africa in the international arena.

NGOs welcomed the overall thrust of UNPAAERD even though it fell disappointingly short of their expectations with regard to firm commitments by donors towards increasing resource flows for Africa. This notwithstanding, NGOs, African and Northern, have sustained and increased their involvement in processes and events set in motion by the implementation of UNPAAERD.

An NGO-inspired event during the implementation of the UNPAAERD period was the joint UN-NGO Conference on Popular Participation in African Recovery and Development which took place in Arusha, Tanzania, in February 1990. It was jointly planned, sponsored, financed and executed by NGOs and UN agencies and was possibly the first in which UN agencies, governments and NGOs participated on an equal footing.

The conference marked a watershed in UN-NGO collaboration, bringing together the largest number of African development NGOs ever assembled on the continent. The adoption of the African Charter on Popular Participation, which was subsequently endorsed by both the Organization of African Unity and the UN General Assembly, was a substantial achievement, providing a policy base and framework for follow-up in Africa, the developed countries and the multilateral system.

By 1989, non-governmental organizations were providing more than half of all total private financial flows to Africa.

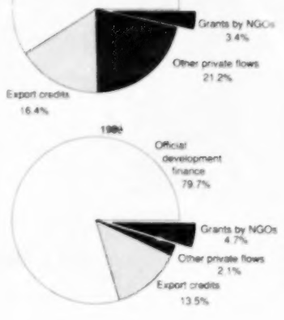
Priorities for the 1990s

UNPAAERD has provided impetus for an improved working relationship between African and Northern NGOs. The African Charter on Popular Participation recommends that Northern NGOs utilize African expertise to the full in both project and advocacy work; it also urges Northern NGOs to strengthen their own capacity to monitor governments and donor agencies in order to render them accountable for their actions and policies towards Africa.

In their review of UNPAAERD, African and non-African NGOs list a number of areas for priority action for African governments and the international community. These include:

- Immediate establishment of the regional and national follow-up mechanisms for implementing the Arusha Charter on Popular Participation.
- The cancelling of all official debt — both bilateral and multilateral — of African countries.
- The adoption of economic adjustment programmes which are designed by Africa and which respect the values, needs, culture and aspirations of African people.
- Measures to assist African countries in diversifying their economies.
- And ending war and conflict in the region. On this point, NGOs have called for a UN-sponsored international conference on ways to control the arms trade.

Net resource flows to Africa
(%)



August 1991

Based on information from the Non-Governmental Liaison Service.

Africa Recovery
CPMD/DPI
United Nations

COUNTRY PROFILES

	Population			GNP per capita ($)		Real GDP growth (annual average % change)		Total debt ($ mn)		Debt service, as % of exports 1989[1]	Aid per capita ($) 1989	Food production per capita (1979-81=100)		Infant mortality (per 1,000 live births)		Life expectancy (years) 1985-90	Adult literacy male/female (%) 1985	Primary school enrolment 1988		Access to safe water (%) 1985-88
	(mn) 1990	Growth rate 1985-90		1980	1989	1961-85	1986-90	1980	1989			1981-85	1986-89	1980-85	1985-90			Total (%)	Females per 100 males	
Algeria	24.96	2.9		1940	2250	4.46	0.68	19,377	26,067	69	6	97	99	88	74	64	63/37	96	80	71
Angola	10.02	2.8		725	620	0.1	4.12	n.a.	6,950	42	14	93	85	149	137	45	49/33	n.a.	n.a.	35
Benin	4.63	3.2		320	380	3.72	-0.1	417	1,177	7	54	101	114	100	90	46	37/16	63	51	35
Botswana	1.30	3.5		780	1600	11.7	8.44	133	513	4	133	88	68	76	67	59	73/69	116	107	58
Burkina Faso	8.99	2.8		240	320	4.92	2.96	334	756	9	32	101	116	149	138	47	21/6	32	59	67
Burundi	5.47	2.9		200	220	5.12	1.86	166	867	33	37	99	98	129	119	48	43/26	70	75	38
Cameroon	11.83	2.7		960	1000	9.5	-1.7	2,513	4,743	19	41	98	96	103	94	52	68/45	111	85	32
Cape Verde	0.37	3.1		520	760	4.82	2.24	20	130	n.a.	n.a.	61	84	52	44	66	n.a.	n.a.	n.a.	69
CAR	3.03	2.5		320	390	2.4	1.62	20	716	14	64	94	90	114	104	49	53/29	67	62	12
Chad	5.67	2.5		160	190	6.54	2.84	218	368	5	43	97	101	143	132	46	40/11	51	40	n.a.
Comoros	0.55	3.1		344	450	3.6	1.46	44	176	9	n.a.	n.a.	121	109	99	54	n.a.	n.a.	n.a.	n.a.
Congo	2.27	2.8		340	940	11.16	1.96	1,496	4,316	27	41	100	97	81	73	53	71/55	n.a.	95	21
Côte d'Ivoire	11.99	3.9		850	790	-0.26	-0.96	5,848	15,412	41	35	95	105	105	96	52	53/31	n.a.	70	18
Djibouti	0.40	3		n.a.	n.a.	1.52	1.04	32	180	n.a.	n.a.	n.a.	n.a.	132	122	47	n.a.	n.a.	n.a.	45
Egypt	52.42	2.2		500	630	7.88	2.66	20,384	48,779	22	31	103	106	115	65	59	59/30	90	75	73
Eq.Guinea	0.35	2.4		n.a.	430	0.5	2.92	76	228	19	n.a.	n.a.	n.a.	137	127	46	n.a.	n.a.	n.a.	n.a.
Ethiopia	49.24	2.7		120	120	-0.14	3.68	804	3,013	39	14	93	90	159	137	44	n.a.	36	64	19
Gabon	1.17	3.3		3900	2960	1.98	0.92	1,513	3,176	12	121	91	81	112	103	52	70/53	n.a.	98	68
Gambia	0.86	2.7		350	240	0.96	7.62	137	342	11	n.a.	111	94	154	143	43	n.a.	n.a.	n.a.	75
Ghana	15.02	3.1		410	390	0	5.36	1,314	3,078	50	38	106	108	98	90	54	64/43	73	80	57
Guinea	5.75	2.5		303	430	1.84	3.96	1,117	2,176	15	62	97	90	157	145	43	40/17	30	45	32
Guinea-Bissau	0.96	2.3		130	180	7.32	2.04	132	458	4	n.a.	116	108	163	151	42	n.a.	n.a.	n.a.	21
Kenya	24.03	4.1		420	370	3.62	4.62	3,530	5,690	33	63	96	102	80	72	58	70/49	93	94	30
Lesotho	1.77	2.8		410	470	1.38	6.4	71	324	3	69	85	79	111	100	56	62/84	112	125	48
Liberia	2.57	3.3		580	n.a.	-0.9	-6.96	686	1,761	n.a.	23	100	95	153	142	53	47/23	35	n.a.	58

60

	Population		GNP per capita ($)		Real GDP growth (annual average % change)		Total debt ($ mn)		Debt service as % of exports 1989	Aid per capita ($) 1988	Food production per capita (1979-81=100)		Infant mortality (per 1,000 live births)		Life expectancy (years) 1985-90	Adult literacy male/female (%) 1985	Primary school enrolment 1988		Access to safe water (%) 1985-88
	(mn) 1990	Growth rate 1985-90	1980	1989	1981-85	1986-90	1980	1989			1981-85	1986-89	1980-85	1985-90			Total (%)	Females per 100 males	
Libya	4.54	3.6	9741	5310	-3.54	0.44	n.a.	n.a.	n.a.	3	107	107	97	82	61	81/50	n.a.	n.a.	97
Madagascar	12.00	3.2	430	230	-0.78	2.4	1,257	3,607	52	28	98	93	130	120	54	74/62	97	95	32
Malawi	8.75	3.3	180	180	3.12	2.68	821	1,394	28	48	95	85	163	150	47	52/31	72	*80*	56
Mali	9.21	3	240	270	1.72	6.6	733	2,157	19	57	102	97	180	169	44	23/11	23	59	38
Mauritania	2.02	2.8	440	490	-0.34	1.5	845	2,010	20	102	91	88	137	127	46	n.a.	*52*	*70*	[illegible]
Mauritius	1.08	1.2	1180	1990	4.46	6.82	467	832	10	54	101	101	28	23	69	89/77	105	88	95
Morocco	25.06	2.4	930	880	2.52	4.28	9,678	20,851	32	18	100	122	97	82	61	45/22	67	*63*	61
Mozambique	15.65	2.7	n.a.	80	-7.9	3.64	n.a.	4,737	24	49	91	84	153	141	47	55/22	*68*	*78*	24
Namibia	1.78	3.2	n.a.	1030	-1.38	2.88	n.a.	n.a.	n.a.	26	90	92	116	106	56	n.a.	n.a.	n.a.	n.a.
Niger	7.73	3.1	440	290	1.14	2.42	863	1,578	33	40	88	86	146	135	45	19/9	30	56	49
Nigeria	108.54	3.5	1030	250	-1.82	3.18	8,934	32,832	21	3	99	98	114	105	51	54/31	62	*82*	48
Rwanda	7.23	3.4	240	320	2.4	-0.56	190	652	19	35	97	78	132	122	49	61/63	64	*97*	64
Sao Tome	0.12	2.4	485	312	-3.88	4.52	24	131	45	n.a.	n.a.	85	n.a.	59	67	n.a.	n.a.	n.a.	45
Senegal	7.32	2.7	510	650	3.04	2.8	1,468	4,139	29	91	102	106	97	87	50	37/19	59	*69*	54
Seychelles	0.07	1	2000	4170	1.72	5.34	84	169	12	n.a.	n.a.	n.a.	n.a.	n.a.	47	n.a.	n.a.	n.a.	n.a.
Sierra Leone	4.15	2.6	320	220	-0.6	0.44	430	1,057	n.a.	25	99	90	166	154	41	38/21	53	n.a.	42
Somalia	7.49	2.4	140	170	3.5	1.18	660	2,137	34	72	94	97	143	132	45	18/6	52	n.a.	35
Sudan	25.20	2.9	430	641	1.06	2	5,163	12,965	8	31	94	88	118	108	50	33/14	*49*	n.a.	21
Swaziland	0.78	3.4	820	900	3.3	5.06	206	281	5	n.a.	100	99	129	118	56	n.a.	n.a.	n.a.	50
Tanzania	27.31	3.7	280	120	0.44	3.68	2,572	4,918	17	39	95	89	115	106	53	93/88	*66*	*99*	56
Togo	3.53	3.1	420	390	-1.64	3.16	1,045	1,185	19	52	91	89	105	94	53	53/28	*101*	*63*	71
Tunisia	8.18	2.4	1410	1260	3.78	3.54	3,527	6,899	23	31	99	96	71	52	65	68/41	*116*	82	64
Uganda	18.79	3.5	260	250	2.22	3	733	1,808	81	24	99	86	112	103	51	70/45	77	*82*	20
Zaire	35.56	3.2	630	260	1.72	1.78	4,860	8,843	22	19	98	95	92	83	52	79/45	*76*	*78*	34
Zambia	8.45	3.7	600	390	0.74	-0.2	3,266	6,874	12	50	91	96	88	80	53	84/67	*97*	*90*	59
Zimbabwe	9.70	3.1	710	650	3.44	3.12	786	3,088	26	28	96	94	76	66	58	81/67	128	*95*	n.a.

Source: UN Africa Recovery adapted from: (a) FAO, *Production Yearbook*, 1989/(b) UN, *World Population Chart*, 1992/(c) UNCTAD, *The Least Developed Countries 1990 Report*/(d) UNICEF, *The State of the World's Children Report*, 1991/(e) World Bank, *World Debt Tables 1990-91*, *World Development Report* 1990 and 1991.
* Figures in italics are for the latest available year.
Note: Figures in current dollars unless stated. 1. Debt servicing figures are for actual payments, not scheduled obligations.

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